

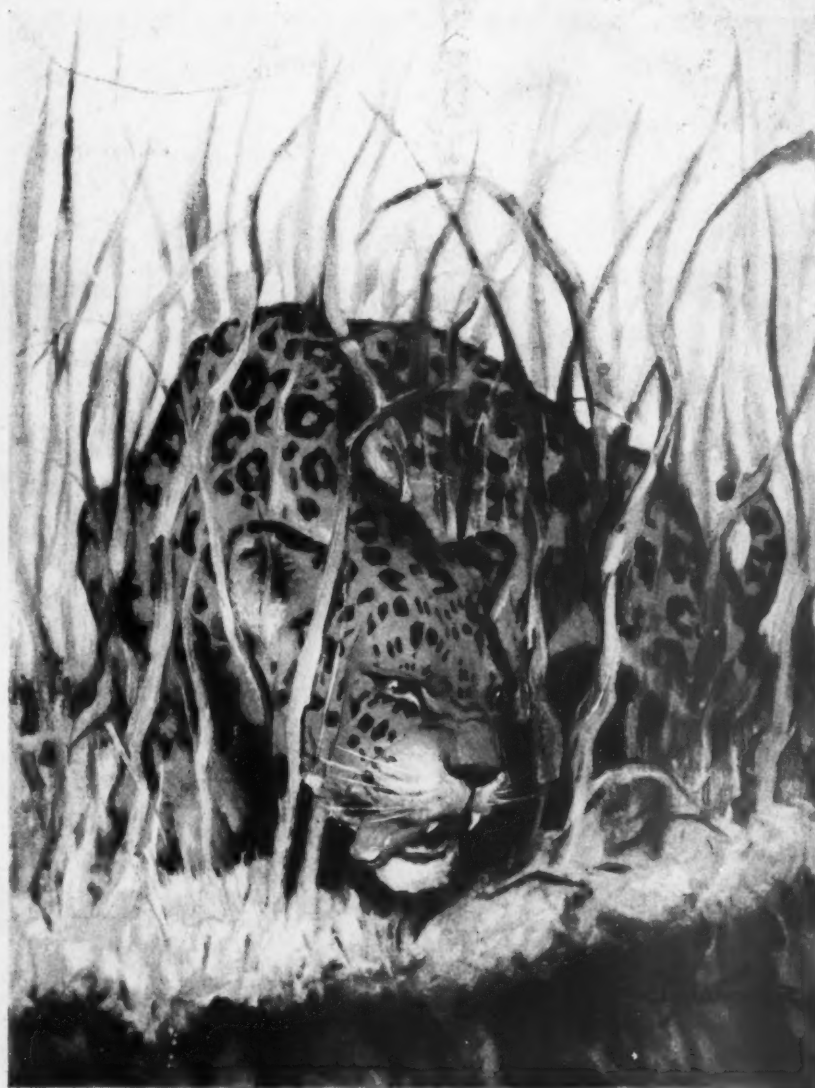
NCETON UNIVERSITY
RECEIVED
J. XXVII, No. 51
THE LIBRARY

PF
January, 1925

CREDIT

MONTHLY

The National Magazine of Business Fundamentals



Are You Prepared

Against those who prey on Commerce?

See page 9.

5 cents

\$3 a year



TORNADO
RIOT
CIVIL COMMOTION
AUTOMOBILE
BUILDERS' RISK
FLOOD
HAIL

EXPLOSION
EARTHQUAKE
SPRINKLER LEAKAGE
USE AND OCCUPANCY
FOREIGN COVERAGE
RENT AND RENTAL VALUE
SALESMENS' SUPPLIES

Specialty Line Insurance

CREDIT, always dependent upon adequate insurance protection, is becoming more and more vitally concerned in the Specialty Lines or Companion Lines of Fire Insurance.

The credit interests of the country realize that the financial standing of

an owner may be shaken by a Wind-storm or Explosion without insurance.

There is a realization also, that Use and Occupancy Insurance or Rent Insurance may contribute largely to the security of any financial standing anywhere.

Any Credit Man interested in the companion lines of Fire Insurance, may secure additional information by addressing the Company at 114 Fifth Avenue, New York

THE COMMERCIAL UNION FIRE INSURANCE COMPANY

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS



E

al



STRENGTH

THE financial strength of a country lies in its natural resources and the ability of its manpower to develop them. To this end there arise industrial centers of mining and manufacturing; there are developed vast agricultural areas and great cities of finance and trade.

To protect from financial loss by fire and other causes the property of these widespread enterprises requires the financial strength of the great institutions of insurance.

A policy in The Home Insurance Company of New York provides the protection of the Largest and Strongest Fire Insurance Company in America.

The HOME INSURANCE COMPANY NEW YORK

ELBRIDGE G. SNOW, President

59 Maiden Lane

New York

Credit Insurance

VITAL TO THE SAFE CONDUCT OF YOUR BUSINESS

BAD ACCOUNTS
INSOLVENCIES
SUITS
Losses
financial embarrassment
Bad Debts
claims
Profits wiped out
JUDGEMENTS
Poor pay
Liens
excessive losses



ALL MEN take risks in business. There would be little business transacted if they didn't.

* Every distributor of merchandise whose terms of sale are 10 days or 30, 60 days or 90, is exposed to credit losses from the moment the goods leave his possession until they are paid for.

Bringing it closer, if your customers become embarrassed, and unable to pay, you will have a loss that might seriously cripple and embarrass your business.

OCEAN CREDIT INSURANCE WILL INSURE YOUR ACCOUNTS AND REIMBURSE YOU FOR EXCESSIVE LOSSES SUSTAINED THROUGH THE INSOLVENCY OF YOUR DEBTORS.

It places in your hands an instrument that will enable you to pass upon credits with unbiased and unprejudiced judgment, and enables you to effect and enforce prompter payment of your accounts.

This strengthens you in your work.

To your Company's capital at small cost, is added a special reserve equal to the face of the contract.

Ocean Credit Insurance guarantees that your business will not be subjected to excessive and abnormal losses which frequently wipe out the profits of one or several years.

It protects Profits and Capital.

It offers collateral security upon all accounts and protects against the loss due to calamities which come upon even the strongest customers.

As a careful Credit Manager you would hesitate to extend credit to a business house which carried no fire insurance. Yet the possibility of loss through a conflagration is somewhat remote, and in a large percentage of the risks on your books, no fire occurs. It is only in rare instances that a fire has occurred twice on the same premises.

But in the matter of losses by bad debts the risk is more pertinent and constant. Bad debts are always with us and may be large during any one or for several years in succession.

"Credit Insurance: What It Is" is a title of a book devoted to the discussion of Credits and their safeguard. This company will gladly present you with a copy upon receipt of your request.



The Ocean has paid
 credit insurance claims in
 this country aggregating
 well over \$8,000,000.00

THE OCEAN HAS WRITTEN CREDIT INSURANCE CONTINUOUSLY SINCE 1895

THE OCEAN ACCIDENT & GUARANTEE CORPORATION, LTD.

114 Fifth Avenue, New York

CHARLES H. NEELY
 Manager, Attorney



With the Editor

THE BEST Christmas present I have received for many years is the following letter:

Dear Mr. Gilder:—

I am happy to notify you that, by order of the Board of Directors of the National Association of Credit Men, you will become Editor of the Credit Monthly on December 1, 1924.

As you have been Managing Editor since April, 1920, when the old bulletin of the Association bloomed into the Credit Monthly, and as you have been occupied all your life with printer's ink, we are pinning great faith upon you.

Cordially,

J. H. TREGOE,

Executive Manager.

It will be my aim to justify the confidence expressed in the above letter from the Executive Manager and to present each month a magazine which will be of genuine interest and utility to credit executives.

* * *

In order to do this, I need every bit of wise counsel I can get.

To begin with, what do you think of this number? Is there too much theory and not enough practical matter in it? Are the articles too long? Or not long enough? Is too much space devoted to one subject? What subjects do you consider most important?

In short, what can I do to cause you to look forward to the arrival of each issue, and make such a magazine as you simply cannot afford to lay aside unread?

With your ideas, you and I can make this magazine a real asset to American business; without your ideas, to do this will be well nigh impossible.

* * *

A young credit manager made a strange admission the other day. He said that he had only just learned that there were, in seventy-seven principal cities of the United States, Adjustment Bureaus—operated under the auspices of the National Association of Credit Men—which undertake to look after the interests of creditors, according to a co-operative and non-profit-making plan.

To credit managers who need help in investigating accounts and in collections, and who require representation in bankruptcies, these Adjustment Bureaus are rendering a high type of service.

A list of these Adjustment Bureaus appears in this issue and will be printed every other month hereafter.

An up-to-date list of the officers and directors of all local Associations of Credit Men will appear in the February issue and also in the April, June, August, October and December issues.

CONTENTS OF THE JANUARY, 1925, ISSUE OF THE

CREDIT MONTHLY

THE NATIONAL MAGAZINE OF BUSINESS FUNDAMENTALS

(Member, Audit Bureau of Circulations)

RODMAN GILDER, Editor

WILLIAM WALKER ORR, Consulting Editor

READY FOR SERVICE.....	The Editor	5
CHARACTER ANALYSIS FIRST OF ALL.....	J. P. McDonald	7
SUPPRESSING CREDIT CRIME.....	Organization of the National Fund	8
THE BUSINESS OUTLOOK FOR 1925.....	Harry E. Ward	10
Nearly all conditions right for a prosperous year		
OFFICE MECHANISM (Illustrated.).....	Isaac Deutsch	12
Its paramount importance to the Executive		
FOAM FROM THE THREE CS.....	B. B. T.	15
CAN YOU MAKE A CROSS WORD PUZZLE?.....	Regus Patoff	15
THE CREDOSCOPE.....	J. H. Tregoe	16
VALUE OF EXPERTS' ADVICE (Illustrated.).....	William Walker Orr	18
Fire precautions prevent total destruction of plant		
CREDIT IN CHINATOWN, N. Y. (Illustrated.).....	Vivian Harley	19
And how a creditor seeks a missing debtor		
HELPING THE HARDWARE RETAILER.....	Howard F. Barker	20
Jobber's credit man does constructive work		
CREDIT ORGANIZATION PLANS.....	J. H. Tregoe	22
W. W. Orr promoted to be Eastern Division Manager		
THE BUSINESS LIBRARY.....		30
Revised list of 100 books for executives		
WHAT BOOKS HAVE HELPED YOU?.....		27
The Book Editor asks that you send him the titles of any books that should be reviewed here		
IS IT EMBEZZLEMENT.....	A. H. Harris	28
When commissions are not paid in?		
THE CREDIT'S REAL BASIS.....	E. J. Carpenter	28
A NEW YEAR RESOLUTION.....	R. G.	32
Suggested by a wise act on the part of Uncle Sam		
PAY SALESMEN AS COLLECTORS.....	A. A. Grainger	34
Instead of paying on basis of sales		
CHECKS MARKED "IN FULL OF ACCOUNT".....	W. R. M.	35
COURT DECISIONS.....		36
Of special interest to credit men		
ASKED BANK FOR \$3,000.....	Samuel Lewis ("Lew") Shank	40
Got \$5,000 and saved his business		
LIFE INSURANCE FOR BENEFIT OF THE BUSINESS.....	W. H. Turner	41
A credit asset		
BETTER RETAIL MERCHANTS.....	Geo. O. Jones, Jr.	43
How shall credit men help them?		
ADDRESSES WANTED.....		45
Directory of Adjustment Bureau Stations.....		46

A Kentucky doctor on Christmas Eve made a bonfire of eighty thousand dollars worth of accounts receivable, the accumulation of bad debts during sixty-five years of practice.

What a sigh of relief the credit manager would give if he could follow the

good doctor's example and start off the new year with a clean slate!

Filing Systems will be the subject covered by a group of articles by users of the systems, in the February number of CREDIT MONTHLY. Don't miss it!



*and it stopped
right
there*

Under date of October 31st, 1924, Mr. Beattie, Treasurer of the Robert Gair Company, manufacturers of paper boxes, wrote us as follows:

"The fire which destroyed our stock sheds at our plant in Piermont, New York, on October 24th would in all probability have occasioned a disastrous loss to our mill property had it not been for our full compliance with the practical recommendations of your Engineering Department. The wisdom of these recommendations, made for the purpose of safeguarding our main plant from the fire exposure hazards formerly threatened by our stock sheds, has thus been fully demonstrated.

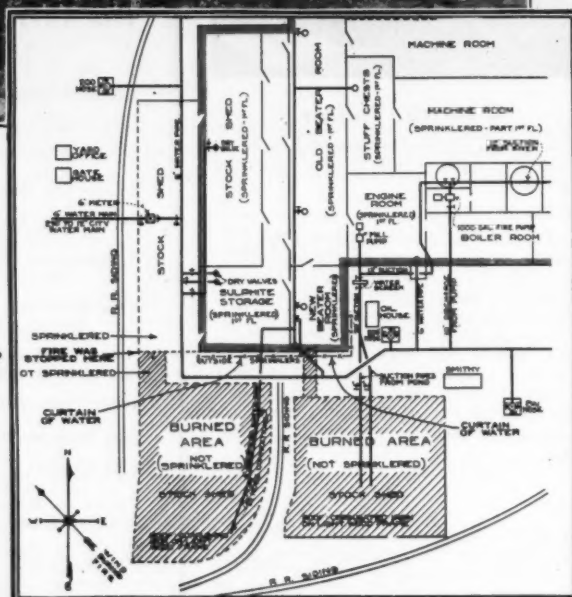
"Your experienced and efficient engineers have rendered us very valuable service in connection with fire protection and prevention at all our main properties and we value highly their co-operation and practical advice.

"In expressing our appreciation for the service rendered by you, we desire to add that your co-operation and assistance have undoubtedly been the means of effecting material savings to us."

Yours very truly,

(Signed) L. BEATTIE,

Treasurer.



THE value of Fire Prevention Engineering Service is seldom demonstrated so graphically as in the case of the Robert Gair experience. To cut off the main plant from the serious exposure hazard offered by highly inflammable stock sheds had been the problem of our Engineers. They did it successfully. The proof is convincing of the value of their job.

Can you say that your plant is as safe from fire as is practicable? Are you certain that every precaution has been taken to effect adequate protection?

We would be glad to show you how doubt can be replaced with certainty. Consult our agent or your broker or write direct to us.

AMERICAN EAGLE
The CONTINENTAL

FIRE INSURANCE COMPANIES
Eighty Maiden Lane, New York, N.Y.

FARMERS of IOWA
FIDELITY-PHENIX

Ready for Service

THE organized credit men of the United States have proved themselves on several important occasions the minute men of American commerce.

They were ready to serve in the 'Nineties, and the result was the National Bankruptcy Law, enacted in 1898. If that Law were suddenly wiped off the statute books, long-distance commerce in this country would be paralyzed and a commercial collapse would probably ensue.

They were ready to serve when bulk sales laws were proposed and the result is that every state in the Union now has a law preventing the secret disposal of goods in bulk.

They were ready to serve when the country needed a Banking Law and the result was the Federal Reserve System, which has already saved the Nation several panics.

They are proving themselves ready to serve now as plans are maturing for the Great Adventure of the National Association of Credit Men, namely the raising of a fund of at least one million dollars for the suppression of commercial crime.

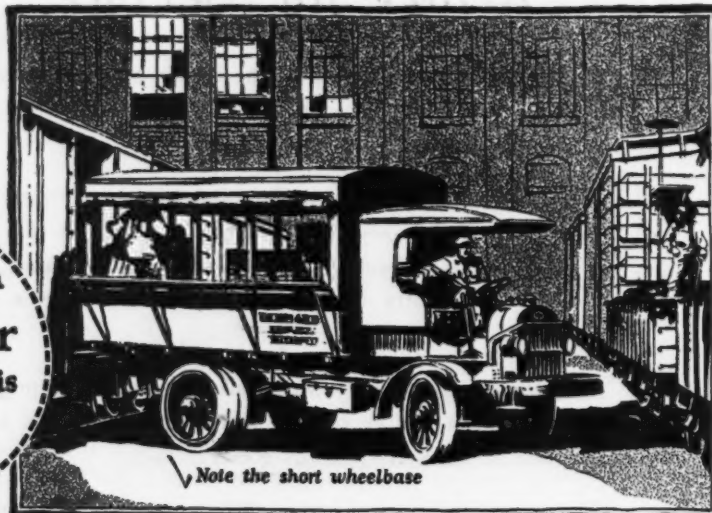
In communities large and small, credit men are answering the call for service and are accepting positions on committees for the raising of the Credit Justice Fund—the greatest of all the great projects to which the fraternity of credit executives has ever been dedicated.

Robtman Gilder

Editor.

The place to appreciate Autocar short wheelbase is in the driver's seat

The 2 to 3 ton
4 cylinder
Autocar
(wheelbase 114 inches)
turning circle is
only 38 feet
in diameter



IF EVERY truck buyer would get into the driver's seat and put an Autocar through his day's work, the advantages of *short wheelbase* handiness would open his eyes.

He would see the ease of winding in and out through heavy traffic, he would appreciate the small space

taken for parking, the valuable time saved at freight terminals, loading platforms, factory yards and cluttered up building operations.

And at night he'd see that the Autocar would require a minimum amount of his valuable garage space.

The Autocar Company, Ardmore, Pa.

ESTABLISHED 1897

Direct Factory "Autocar Sales and Service" Branches or Affiliated Representatives in

*Albany	*Brooklyn	*Detroit	*Los Angeles	Orlando	*San Francisco	Trenton
*Allentown	*Buffalo	*Erie	*Memphis	*Paterson	*San Jose	*Washington
*Altoona	*Camden	*Fall River	*Miami	*Philadelphia	*Schenectady	*West Palm Beach
*Atlanta	*Chester	*Fresno	*Newark	*Pittsburgh	Scranton	*Wheeling
*Atlantic City	*Chicago	*Harrisburg	*New Bedford	*Providence	Shamokin	*Wilkes-Barre
*Baltimore	*Cleveland	*Indianapolis	*New Haven	*Reading	*Springfield	*Williamsport
*Binghamton	*Columbus	*Jersey City	*New York	*Richmond	*St. Louis	*Wilmington
*Boston	*Dallas	*Lancaster	*Norfolk	*Sacramento	*Stockton	*Worcester
*Bronx	*Denver	*Lawrence	*Oakland	*San Diego	*Syracuse	York

* Indicates Direct Factory Branch

Mail
with your
letterhead

The
Autocar Co.
P. O. Box, 7005
Ardmore, Pa.

Please send me your

- ☐ Gas truck book
☐ Electric truck book

Autocar

gas and electric trucks

EITHER OR BOTH - AS YOUR WORK REQUIRES

CREDIT MONTHLY

Vol. XXVII

JANUARY - 1925

No. 1

Character Analysis First of All

Many Other Requirements for Credit Work

By J. P. McDonald

Wagner Grocery Company, Memphis

THE training of the credit man should be directed first of all to the development of a keener discernment into the Character, Capacity and Capital of applicants for credit as they present themselves under varying conditions.

Even if the credit manager met every man with whom his house was to do business, he would still have to depend upon information he might get from various sources. This is because even to the keenest student and observer a man's credit worth is not mirrored with sufficient certainty in his countenance.

Discernment of character can be developed, but we develop it best in studying our own character, which must be above reproach if we are to have keen insight. The credit manager must first remove the beam from his own eye before he can find the mote in his brother's eye.

Only second in importance is insight into capacity. How can a credit man sharpen his insight into the capacity of the credit applicant? There are some surface indications, of course; but again and again we meet men who look like go-getters, but who prove to be ineffective in their efforts and lacking in sound judgment.

After all, it is the little things often which go to make up the right estimate of a man, and hence it is essential that men be trained or train themselves, in the power of observation. As his observation develops he will find himself classifying actions and deducing from them conclusions as to what a man can and will do under varying conditions. He will be able to come to a decision as to whether the man's pride helps him in developing ambition or makes him close his ears to counsel; whether he will stand up against temptation or bend to dishonest practices; whether he sees only for the day or looks forward in preparation for the morrow; whether he is open-minded for new suggestions or considers the ways of his father good enough for him. All these things, and those others which enter into the determination of character and capacity are indicated oftentimes in the little ways which one must be wide awake to observe.

The technical training of the credit executive himself may be grouped under internal and external elements of training. In the internal element we should consider his training in psychology, in expres-



J. P. McDONALD

The Credit Executive must train himself in

Character analysis

Accounting

Legal principles

Expression of ideas

Tact and firmness

Economic trends

Use of statistics

Investments

That's all!

sion, law, accounting and in well ordered operation of the credit department. Under the external elements, we should include an understanding of business conditions, economic law, financial and political conditions.

Knowledge of Accounting

I know that all will not agree with me, but I believe that in training for the work at the credit desk accounting is important and a thorough knowledge of the elementary principles of debit and credit is essential. There must be an understanding of bookkeeping if one is to

know at any time the actual financial condition of an enterprise. I understand that the Burroughs Adding Machine Company requires their mechanics to take an apprenticeship in their factory actually building machines before they are permitted to go out to repair them. How much more necessary is it that the credit man who handles financial statements know the ins and outs of modern accounting that he may be able to detect flaws and defects in a statement submitted by a customer. The credit executive's duties are two-fold in this matter, first to his own house and second to his customer; for many a weak customer has been transformed into a good one because of the help of the credit department in assisting him through his accounting difficulties. Without this knowledge the customer would probably have fallen by the wayside or gone to a house with a more constructive credit executive.

Then the credit man should be trained in business organization for unless he is so trained his eye will not be keen in working out efficient methods for his business and in discovering ways to eliminate waste of every kind. He must know whether his customer's costs are right in the granting of credits, and whether the customer is doing business under methods and conditions that make for success or lead to failure.

Familiarity With the Law

While it is not necessary for the credit executive to have been trained in the law it is desirable that he have some familiarity with the fundamental principles of common law and with the statutes affecting business. He must know about the legal rights and remedies of the seller and buyer, and must remember that they differ for the various states and that modifications take place from time to time. *A house has the right to look to its credit executive for this information.*

It is impossible to lay too much stress upon the necessity for training in expression. The credit executive's department is not the only one that must express the views and policies of the house; but there are certain peculiar qualities which must inspire the letters of a credit department which are not so difficult of attainment in the other departments of a business.

(Continued on page 22)

Suppressing Credit Crime

Organization of the National Fund

WITH THIS ISSUE of the CREDIT MONTHLY the National Association of Credit Men announces the coming great crusade of the Credit Men. It is in accord with the resolution passed at the Convention in Buffalo instructing the National Association to carry on a nationwide intensive effort to secure the funds necessary for the investigation and prosecution of credit crimes in an adequate manner. Its immediate objective is the securing of \$1,500,000 as the first unit in this fund.

Space permits but the briefest summary of our plans. We know that two factors will determine the degree of our success. The first is the building of an organization of our credit men who are convinced of the critical conditions facing business and also willing to put forth effort to remedy them. The second is to so impress the business world with the growing financial loss due to depredations by credit criminals that all business executives will see the necessity for a remedy and will welcome that presented by the representatives of the National Association of Credit Men and will desire to participate in its support.

With this in mind, our major activities will be along the lines (1) of building an organization adequate to the prosecution of our effort, and (2) the preparation and dissemination of publicity through every possible channel. Added to these are (3) the steps necessary to secure the goodwill of the many trade associations throughout the country, national, state, and local; and (4) the preliminary securing of funds from firms and individuals who are able to make payments in fairly large amounts.

The form of organization provides for a National Committee made up of outstanding citizens representing all sections of the country and all lines of business; an Executive Committee responsible for the active prosecution of our effort; "key men" in the key cities over the country, who, with their city committees, will organize the local credit men, carry on publicity and take the necessary steps to canvass the firms and individuals in their respective districts.

We are confident that the Credit Men are going to be proud of the organization they will have built; proud of it because of its size, since the number of those who will hold responsible positions will be between 5,000 and 6,000; proud of it because of the widespread area it will cover, since it will spread to every state and city; and, finally, because of the quality of its personnel, since we already have abundant evidence that it is the strong, keen, successful men in the credit world, as well as in the business world generally, who are accepting commissions.

Every possible medium will be employed for informing not only the Credit Men but the public generally and particularly business executives. Pamphlets will be distributed. The daily press, general magazines, trade organs and house organs will be used. Advantage will be taken of national and sectional meetings of trade associations.

The intensive taking of subscriptions will begin the first part of February. It will start in the principal cities in the eastern and central states, moving from them to the rest of the territory in these states and then to the southern and western and Pacific states.

It is expected that the funds will be secured not only from those firms and individuals that are members of the local and national associations, but also from many of the members of such firms who will desire as individuals to promote this great cause and also from individuals and firms who are not members of the Association.

Definite progress has already been made, as is shown by the names listed below. The membership of the National Executive Committee is complete. We are just now securing the names of the members of the National Committee. Twelve of the fifteen "key men" have consented to serve.

The credit executives of the Nation have embarked upon their Great Adventure. We are going to success, because our goal is attainable, our record is good, the need is real. And out of it will come not only adequate munitions for the fight against credit crimes, but also an increased insistence upon the

National Chairman
William H. Pouch, President, Concrete Steel Company, New York City.

National Committee
John L. Alcock, President, Association of Commerce, Baltimore, Md.
Frank A. Baker, Ridenour-Baker Grocery Co., Kansas City, Mo.
Charles L. Bernheimer, Arbitration Committee Chamber of Commerce of the State of New York, New York City.
R. Howard Bland, President, U. S. Fidelity & Guaranty Co., Baltimore, Md.
Sidney Blumenthal, Sidney Blumenthal & Co., New York City.
Bertram H. Borden, President, American Printing Co., New York City.
Lewis L. Clark, President, American Exchange National Bank, New York City.
J. Howell Cummings, President, John B. Stetson Co., Philadelphia, Pa.
William D. Daston, Henry Daston & Sons, Inc., Philadelphia, Pa.
Otto L. Dommerich, L. F. Dommerich & Co., New York City.
Charles W. Dupuis, President, Citizens National Bank & Trust Co., Cincinnati, Ohio.
Thomas A. Edison, President, Thomas A. Edison, Incorporated, Orange, New Jersey.
William H. Folwell, Folwell Bros. & Co., Inc., Philadelphia, Pa.
Julius Forstmann, President, Julius Forstmann Corporation, New York City.
Phillips Lee Goldsborough, President, National Union Bank, Baltimore, Md.
Fred G. Gruen, President, Gruen Watchmakers Guild, Cincinnati, Ohio.
Charles A. Hinsch, President, Fifth-Third National Bank, Cincinnati, Ohio.
Arthur W. Loasby, President, Equitable Trust Co., New York City.
David S. Ludlum, President, Autocar Co., Ardmore, Pa.
John C. McKeon, President, National Boot & Shoe Manufacturers Association, New York City.
James McQueeney, President, Chamber of Commerce, Kansas City, Mo.
H. G. Moore, President, National Hardware Manufacturers Association, Peoria, Ill.
T. B. Nevin, President, American Institute of Accountants, New York City.
Leroy T. Pease, President, Retail Credit Men's National Association, New York City.
Lewis E. Pierson, Chairman of the Board, Irving Bank-Columbia Trust Co., New York City.
Francis J. Plym, President, The Kawneer Co., Niles, Mich.
William Cooper Procter, President, Procter & Gamble Co., Cincinnati, Ohio.
W. B. Richards, President, Richards & Conover Hardware Co., Kansas City, Mo.
H. A. Smith, President, National Board of Fire Underwriters, New York City.
A. I. Weinberg, American Wholesale Corporation, Baltimore, Md.

National Executive Committee
Champe S. Andrews, Natl. Folding Box Co., New Haven, Conn.
Wm. Bianchi, Wm. Bianchi & Co., New York City.
E. H. Burgess, Edward Hines Lumber Co., Chicago, Ill.
Curtis R. Burnett, American Oil & Supply Co., Newark, N. J.
George J. Gruen, Gruen Watchmakers Guild, Cincinnati, Ohio.
Lee M. Hutchins, Hazeltine & Perkins Dry Goods Co., Grand Rapids, Mich.
Joseph Karr, Samuel Sternberger Co., Philadelphia, Pa.
W. F. H. Koelsch, New Netherland Bank, New York City.
C. A. McCormack, Johnson & Johnson, New Brunswick, N. J.
Victor Montenyohl, Goodrich Tire & Rubber Co., Akron, O.
W. H. Monroe, Supplee-Biddle Hardware Co., Philadelphia, Pa.
William H. Pouch, Concrete Steel Co., New York City.
Henry Rice, Rice-Stix Co., St. Louis, Mo.
C. P. Sadler, American Radiator Co., New York City.
Robert D. Scott, Chemical National Bank, New York City.
Samuel Steinfeld, Steinfeld, Incorporated, New York City.

Key City Chairmen
Boston—Fred P. Kinney, Treas., Kinney Mfg. Co.
New York—William Fraser, J. P. Stevens Co.
Detroit—H. B. Gillespie, Michigan Stove Co.
Indianapolis—C. W. Steeg, Hugh J. Baker Co.
Milwaukee—Walter Kasten, Pres., First Wisconsin Nat'l Bank.
Minneapolis-St. Paul—F. B. Atwood, Gorman, Ford & Co.
Philadelphia—Walter P. Miller, Pres., Walter P. Miller Co.
St. Louis—Gordon L. Reis, Wagoner & Reis Commission Co.
Kansas City—H. K. Slezak, Burnham-Munger-Root Dry Goods Corporation.

highest standards of honesty in business, an increased willingness to work together in the insistence upon such standards, an end of leniency toward credit frauds, and the determination that the apprehension and punishment of credit criminals shall be prompt, certain and sure.



Are You Prepared Against Those Who Prey On Commerce?

THE yearly toll of credit fraud in the United States is conservatively estimated at \$160,000,000. Wholesalers, bankers and manufacturers are the chief victims of this loss. But every trade in the country that sells on credit is open to the planned attack of the credit crook. He is a specialist, his methods are many and varied. It requires specialists to bring him to justice.

Obtaining the evidence in credit crime requires investigating ability of a peculiar type. No ordinary detective work will suffice,—no national or local laws will prevent and no amount of money spent individually will insure certain retribution when a fraud has been committed.

Few victims of large credit frauds are in a position individually to spend the money necessary to place investigators in the field for long periods of time. Gathering evidence and prosecuting the criminal is costly.

It is only by spreading a great net of National and Local Credit Cooperation that crime can be lessened and held in check at a minimum cost to the individual.

The Certainty, Rather Than the Severity of Punishment is Crimes Greatest Deterrent

Too long has there been inadequate machinery and insufficient finance for the carrying out of a protective work commensurate with the need for credit security.

The National Association of Credit Men, appreciating the existing conditions is planning to enlarge the scope of their service in checking credit crime. This work is already under way in a concrete, tangible form. A few weeks will see a great national movement launched for the suppression of credit crime.

Are You Prepared

To safeguard your interests and those of your associates?

To caution the unsuspecting merchant?

To hunt relentlessly and bring to justice the hardened offender?

To protect credit, prevent losses and build for moral responsibility in business?

To combat credit fraud?

***Prepare to interest yourself actively in bringing to justice swiftly
and surely those who prey on commerce.***

Business Outlook for 1925

Nearly All Conditions Right for a Prosperous Year

By Harry E. Ward

President, Irving Bank-Columbia Trust Co., New York

SUBSTANTIAL and well sustained business activity is the cheerful prospect that we face for the coming year. The broadening upward surge of securities reflects, in large part, the optimism felt throughout the country that our Government will have at the helm a man whose watchwords are economy and commonsense conservatism. The political skies are clearer than at any time since the days of McKinley. This means that the railways will probably be safe from political attack and that their management may be expected to continue in the wisely efficient manner which has already brought about such very notable improvement since the period of Government control.

Industries have been steadily advancing since mid-year when the sharp but brief depression period of 1924 touched its low point. Each month since June has shown a successive improvement in volume of output. Measurements of many basic lines of production, when combined into an index curve, show that industry now is rapidly approaching normal and may be expected shortly to rise somewhat above it. These developments seem thoroughly healthy, with no indications, thus far, of anything savoring of inflation. Wholesale prices have risen, but production has risen also, and as long as the two movements continue together, the accompanying expansion of credit will be wholesome and justified.

European Currency Is Sounder

The credit situation generally promises to be made more normal as gold imports lessen and the outgo assumes larger proportions. The shipment of twelve million dollars in a single day last week is tangible evidence of the improving currency situation in Europe. The new German Reichsbank, established under the Dawes plan, will probably continue to shift part of its newly obtained balance of approximately \$100,000,000 from the United States to its own coffers. Now that the extraordinary chaos of the paper mark inflation is being rapidly cleared away, Central Europe promises soon to be in possession of that most precious boon to business—sound money. Some neighboring countries, such as Switzerland, Holland and Sweden, are now on a gold basis. The benefits are so apparent in relieving exporters and importers of the great margins of risk created by fluctuating foreign exchange, that the example may be infectious. Many prominent British bankers are anxious to see sterling rise to par and stay there. Possibly this desirable achievement may come next year with the expiration of the present British statute prohibiting gold exports except under license. Thus, it is to be hoped that gold may reacquire its pre-war function of regulator of international trade balances through the pervasive influence exerted upon national wholesale price levels as it moves from one country to another.

Among the American industries that seem to have particularly bright prospects for 1925 are artificial silk, book publishing, radio, hardware, paint, sporting goods, and such public utilities as electric light and power. Many others promise substantial improvement from their rather restricted volume of

operations. Still others, like certain cotton textile lines, were so hard hit in this year's business that 1925 must inevitably bring better conditions, and in fact there is rather clear evidence that an upturn has already definitely begun. For the first time in eleven months New England mill owners say that they can now make a profit from sales. Wages in these mills have been at relatively higher levels than in most other industries as compared with pre-war days; now that cuts have been made, several establishments have been enabled to operate at capacity, and large numbers of workers are no longer idle. Textile securities have rallied in consequence, especially those which are widely distributed. The British textile situation also has grown brighter, although the trade is not yet busy at full capacity.

Buyers seem more and more inclined to broaden their programs by a readiness to buy farther ahead, and, as the indications continue to show that the return to this normal policy is safe and profitable, the general merchandising situation will benefit in consequence. If carried to extremes, the advantage of steadily increasing the turnover of merchandise can only be illusory. Meager inventories are not consistent with good service to customers. Retail trade promises in the main to be well sustained next year, although it has responded to the stimulus of the election with somewhat less buoyancy than did many lines of manufacture.

Building Industry

The building industry has done the unexpected in exceeding last year's very high and exceptional total, and 1925 seems likely to witness another period of great building activity, approaching but not quite attaining the level of the last two exceptionally good years. Building construction in the future will probably be more dependent on the business situation than in the past. The building shortage has not yet been entirely made up. A leading firm has made a survey of 528 cities, each of more than 10,000 population. In 380 of these cities building shortages were reported amounting to over four billion dollars, of which about \$2,103,000,000 is needed for residential types, \$1,131,000,000 for commercial types, and \$870,000,000 for various kinds of public buildings. There were 148 cities which reported no shortage. The same investigation brought to light definitely planned expenditures of nearly \$800,000,000 during the next two years for churches, hospitals, charitable and educational institutions. It is probable that building costs next year will not substantially differ from those at present. If the demand is sustained next year and general prices rise, and there is a steady demand for iron, steel and cement, building material prices will also be sustained. There seems to be a large volume of deferred construction in the agricultural districts. For the next ten years the demand in such communities may average about one billion dollars per annum. This was the estimate of the late Mr. Wallace, head of the department of Agriculture. Although some experts regard his estimate as somewhat high, at any rate it is virtually certain that a sizable part of this demand will come into the market in 1925.



Iron and steel are recovering steadily from the midsummer slump. The fact that only half of the country's blast furnaces are now in operation shows that there is still a wide latitude for expansion. Prices for the last six weeks have been advancing, and this trend will probably continue during the next few months, more sharply upward, perhaps, in the case of pig iron than of steel. The latter industry will doubtless face some very severe competition in foreign markets, especially from Germany and Belgium. But reviving domestic demand, it is hoped, will allow a broad enough market to keep production near a normal level. An important increase in the sale of farm implements would logically be expected in 1925, inasmuch as the increased agricultural purchasing power came too late to be reflected much in this year's purchases. There are many cases where long-standing debts of the farmers to the farm implement companies are now being liquidated. This same agricultural market is also looked to for a broad and effective demand for many other kinds of merchandise, notably automobiles and radios.

The radio industry has grown with fantastic rapidity. Sales aggregating two million dollars in 1920, expanded to five, sixty, and one hundred and twenty millions in the three succeeding years. When the year 1924 reaches its end the radio industry will show for the twelve months the truly astonishing sales total of more than three hundred million dollars, or about one-third of our pre-war national

debt. And that the limit is not yet in sight seems possible because of the numerous technical improvements constantly being made in the apparatus.

All Is Not Rosy

I do not wish to imply that everything is rosy on the horizon ahead of us. The burden of taxation, federal, state and municipal, is seriously heavy. Discontent is widespread in regard to the publicity features of the present law, which seem to be of dubious utility or advantage. Voters will have to keep watchful eyes upon the extravagances that may be proposed by Congress or by State Assemblies. If Governmental budgets can be kept pared down to essentials, the capital thereby released could be put to productive uses and thus benefit the general economic situation of the whole country. Then, too, the foreign political situation is full of dynamic possibilities which, although they may cause us no disquiet politically, still involve changes that might be to our economic disadvantage. World trade can never remain even relatively tranquil until there can prevail tranquility and trust between Governments. Unfortunately, the day seems far distant when an era of world peace will dawn. We can take cheer, however, from the thought that for a long time to come no war of great magnitude seems probable owing to the financial exhaustion in many countries, so that in the years immediately ahead the process of upbuilding and rehabilitation can go on.

Office Mechanism

Its Paramount Importance to the Executive

By Isaac Deutsch

Steinfeld, Inc., New York

NO ONE recommends the development of the human body at the expense of the development of the mind and will; but we all recognize the handicap that a man is under whose entire physical mechanism is not in good running order.

Responsible for the credit problems of my company, I give close attention to the general principles of close co-operation, sound information, knowledge of conditions and the many other problems which must be grappled with by credit executives. I am, however, continuously interested in the mechanical problems of the Credit Department. I make a practice of attending every year, with the purchasing agent of the company, the business show which is held in New York, and keep systematic watch on the columns of the trade press. By these means it is possible to be posted as to the new devices that come on the market and the new applications of old devices that are worked out by users and manufacturers of equipment.

As is the case in some other lines of manufacture and selling, the office equipment manufacturers have found that they can be of service to their customers and develop new business by acting as consultants on office management problems. Most of the leading concerns in this line nowadays have men who are consultants in their line. These men accumulate experience in the various offices where their product is installed; and their advice is frequently of considerable value to the user. They can usually adapt their own equipment to a customer's special needs.

When a consultant of real ability combines his knowledge with the experience of the credit and office manager, who has a clear conception of his own problems, the combination is likely to be highly satisfactory to all concerned.

Unhampered Executives

An executive worthy of the name does not permit himself to be hampered by inefficient office methods or by details



ISAAC DEUTSCH

That Isaac Deutsch, who for many years has been a student of the mechanical as well as the managerial problems of the Credit Department and is a Vice-President of the New York Credit Men's Association, has generously consented to supervise the series of twelve articles on office mechanism, which the CREDIT MONTHLY has planned for the year 1925 is an assurance that this series will be of genuine assistance to credit executives.

The articles will describe the various machinery of the credit department from the point of view of the user. Inquiries and comments will be welcome.

—THE EDITOR

which can be shifted to an understudy or assistant. He welcomes real improvements in equipment. On the other hand he guards himself and his company against too much system: he has a particularly sharp knife always ready to cut red tape.

Although initial costs for new systems at times appear to be heavy, it is to be remembered that there is plenty of competition nowadays in the office equipment

field and prices are probably about right. Sometimes the most radical installations will pay for themselves in a short time. The buyer should assure himself of quality by a close examination, and if possible by tests of the material, and above all should satisfy himself that the equipment is exactly fitted to his own special case. These matters settled, he can go ahead with confidence. He may reassure himself further with the thought that the really successful enterprises of the country almost invariably pay close attention to the solution of office management and equipment problems, and do not hesitate to throw out obsolete office machinery if the new equipment will save time, labor or space.

The saving of time is a cardinal principle of office management. Especially is this true in the Credit Department where dispatch often means the saving of business. Therefore, new systems, designed to increase dispatch, are of paramount importance to the credit executive. He should make sure that such new ideas come to his attention. And if upon analysis they appear to be worth adopting, he should not hesitate to give the time and attention necessary for installation.

Records That Are Visible

One of the principal groups of office equipment used in credit departments includes indexes which visualize their information. Some typical installations are described by users in these pages. These are in general so far superior to records that do not furnish instant visibility that they will probably supplant the old methods eventually in almost all credit departments.

Whatever visible system is installed, it is well to provide at the start for expansion. As most of them are unit systems, it is a simple matter to add units. But at the time the system is installed, each tray should have a reasonable number of blank spaces at both the top and bottom to accommodate, without further expense, expansion that may be necessary.

30,000 Cards

Making Credit Records Visible

By R. W. Sherman

E. R. Squibb & Sons, New York

A SHORT time ago it became evident that the old system of keeping our credit records in books was rapidly becoming inadequate. With the opening of the many new accounts we have put on our books in the past year, we found that we required a system of filing credit information so that it would be instantly available and not unwieldy.

When we considered that we had over 25,000 accounts on our books the solution of the problem was not easy. We tried out card files, but came to the conclusion that they were too readily disarranged, cumbersome and easy to lose.

We decided to look into the matter of installing a system by means of which sixty or seventy names at a time would be in view, various kinds of accounts could be indicated by cards of different colors, and certain accounts could be automatically called to the credit manager's attention.

So we approached the system service department of one of the well-known office equipment companies and stated our trouble. In a short while, after close consultation, a solution was reached.

We now have a battery of aluminum panels which are mounted on a heavy wooden frame and stand in one corner of the room. See FIG. 1. Each panel is grooved in such a way that the credit information cards are mounted on the "leaves" or panels enabling the credit man to turn the panels as the leaves of a book, and instantly find the required card.

One of the best features of the system is that the cards require no pockets, loops or wires in order to obtain visibility. Each card is "buttoned" easily on to the runway and slips down behind the card below, the bottom of the card resting on the die of the next card, thus leaving the top or index line of each card visible.

By changing the position of the die cut, the amount of visibility on the cards of a system may be regulated for one, two or more typewritten lines, while the visible margin of any one card may be increased by the use of an "elevating" card thus preserving the compactness of the system as a whole.

We have found the system adequate for our needs. In all we have some 30,000 cards on the panels and the exactness and dispatch with which we dispose of the day's work speaks highly of the system.



FIG. 1. ALUMINUM PANELS CARRYING 30,000 CREDIT INFORMATION CARDS.

Visualizing Orders Credit and Ledger Facts Shown

By W. P. Oldstairs

A VISIBLE card system that controls the progress of an order through the Credit Department, through the Works and until every item of the order is shipped, is used by the Order Department of the New York branch of the largest manufacturing concern in its line in the United States.

"We put in this system a year ago and find that it answers our purposes well,"

said the Department Manager to the CREDIT MONTHLY reporter. "The system of cabinets and trays was purchased under highly competitive conditions. It was chosen on quality,—that is, convenience and apparent durability,—rather than on price.

"The cards, which we call INDEX GUIDE CARDS, are 5 x 8 inches in size, printed on both sides and of material flexible enough to be typed in an ordinary typewriting machine. It is made of strong, tough "index bristol." We have seen to it that the bristol is not too thick.

When You Order Cards Printed

"If the user of one of these systems, (or in fact any system where cards have to bend around the roller of a typewriting machine) has his record cards printed himself, let him remember this,—a thing that even some printers do not know: The stock used for these cards usually has a grain. This grain is invisible unless the card is torn and examined carefully; but is very troublesome if it runs *vertically* on the printed card. The grain should run horizontally, that is, in the same direction as the typewritten lines, parallel to the roller of the typewriting machine. In this way the buckling or cracking of the cards, while they are being typed, is avoided.

"Of course the suppliers of visible systems know all about the grain of cards, but I am afraid that many credit and other executives do not.

"We find that one order clerk can take care of seventy-two trays of these INDEX GUIDE CARDS, each tray having a capacity of fifty-two cards."

Showing Ledger Accounts

A visible system which shows the ledger account as used by various manufacturers and wholesalers is shown in FIG. 2. A 5 x 8 card carries the information and fits slots in a special kraft holder. The name at the bottom of the card, which is subject to much handling is protected by a translucent strip from which the glare has been removed. It was found where ordinary shining translucent was used, the glare was hard on the eyes of the operator. At the foot of the card

ITEM	REF.	DEBIT	CREDIT	BALANCE	DATE	ITEM	REF.	DEBIT	CREDIT	BALANCE
12/1	A1	2020 -	20 -	2000 -						
15	C3	-	500 -	1500 -						
1/1	C5	-	500 -	1000 -						
1/15	Ar	1580 -	-	2580 -						

Terms _____ Rating _____ Phone _____

Schwartz
Linwood, M.A. 196 Woodside Boston.

FIG. 2. INDEX GUIDE CARD. ACTUAL SIZE 5 x 8 INCHES

also are the numerals from one to thirty-one, which permit of a colored transparent, movable signal being used to indicate either the day of the last order or the date of next payment due. The card shown herewith is signalled for the 15th of the month.

Visible Loose Leaf Book Credit Records in Compact Form

By A. C. Gerhold

The Wahl Company, New York

WE believe our equipment for keeping valuable credit information to be far above the average system used in a company of equal size.

We have in the neighborhood of 35,000 accounts on our books and in order to have the necessary information close at hand have found the usual pull drawer equipment of little use.

Our system takes up far less room than would be ordinarily used and at the same time it embraces the elements of speed, visibility and compactness.

It is in the form of a 100 loose-leaf compact book about 19 x 12 inches, each book containing about 10,000 accounts.

Each account is kept on a sheet about 11 inches in width and 5 in height. The sheets or pages are arranged in the book in such a way that the bottom of each overlaps the one above for about $\frac{3}{4}$ ths of an inch thus exposing the name to view. See Fig. 4.

The accounts are of course arranged alphabetically and when one is required it is a simple matter to open the book to the initial desired to find the account.

One feature of the system is that when new accounts are to be entered it is not necessary to rearrange the tops and bottoms of all lists, as is done in other systems. We simply insert a new sublettered page and go ahead.

Another feature is the portability of the equipment. It is often necessary to use the records at other desks and the lightness of the books makes them easy to carry without moving heavy cabinets.

The $\frac{3}{4}$ ths inch space for the name is also used for signalling by various colored cards, or by colored tabs, etc.

Posting is done in the natural position on a desk top, rather than at varying heights and angles. This makes for more accuracy because operators do their work with less fatigue.

Perhaps the principal feature is the compactness of the books. We have them standing in racks on the credit desk and the operator has the whole 35,000 accounts within reach. See Fig. 3. By simply tipping the book to the desk and opening it he can refer to any account instantly. It is then a simple matter to close the book and push it in its proper place.

As our bookkeeping is all done in Chicago and the monthly statements mailed from there we use the system practically as a ledger, taking the balances from the monthly statements, the carbon copies of which come to us.

In this way we always know the condition of an account within a few dollars. This information is entered on the back of the sheets.

Where Speed Is Essential Visibility of Records a Time Saver

By J. P. Edwards

Lewis & Conger, New York

UNDER the old system authorization of credit was left very much to one man with the result that his memory was overtaxed. It was evident that a mechan-

ical system should be installed that would provide the necessary information quickly.

As many of our customers come here to do their buying in person rather than by letter we wanted a system wherein speed was the main essential. Also many of our customers leave their accounts inactive for long periods of time, so that occasionally a slow account that had done no recent business was overlooked.

After investigating the various visible index systems now on the market, I found one I thought would suit our purpose.

Of neat appearance and taking up little room, they were placed at the right hand of the cashier so that he has the whole record of all of our accounts instantly available. The result has been a great saving of time.

With the increase of accounts we simply add another cabinet. Each cabinet accommodates several hundred names. We have more than 16,000 accounts recorded on our cards, each of which is available at a few seconds' notice.

In making a choice of the cabinet to

Fig. 3

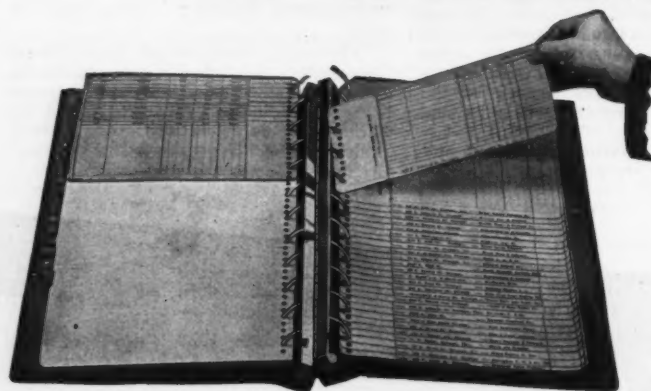


Fig. 4

The result was that we drew up card forms of our own which we used with a visible credit system manufactured by a well-known company.

The cards are 8 x 5 inches and at the bottom have places for the name, address, bill to, account opened, and credit limit. They are set in pull drawers that can be instantly taken out of the cabinet, exposing all accounts in the drawer to view.

buy, I narrowed the choice down to two companies. The final decision was made not on price, but largely upon what I am convinced are the wearing qualities of the equipment.

We have found also that these systems are excellent for keeping stock records, prices, special information, and the many records that are needed in a business of this kind.

1923 Oct.	67.95 MDSE. 5	67.95	4.75	Folio Page Cr. Book 199	1923 Oct.
1924 Feby.	19.54 MDSE. 5	19.54	63.20	Cash	Nov. 7
	22.10		19.54	Cash	1924 Mch. 14
Apr.	MDSE. 22	22.10	22.10	Cash	May 7

COUNTRY ADDRESS Lake Placid, N. Y.	BILL TO	A/C OPENED New
		CR. LIMIT \$300.00

McGillicuddy, Horace L. 444 Park Avenue, North Orange, Conn.

FIG 5. VISIBLE CREDIT CARD, Actual size 5x8 inches.



"You're Fired!"

YOUNG BERTRAM JONES was the credit manager of the Flintlock Mfg. Co., a bright, energetic young man, Bertram, who never drank, chewed, swore or fed the animals at the Zoo between meals. He had the happy faculty of getting along with everybody and always had a cheery word, even for bond salesmen. The sales manager and he were such good friends that they sat at the same double desk and during the luncheon hour could frequently be seen strolling arm in arm, contentedly munching a big red apple.

"That boy Jones is a comer," old man Flintlock, the president of the company, would often say, and regularly on the first of each January, Bert would find two extra dollars in his weekly envelope.

Bertram had a future. Office gossips had already brought in the story that Bertram had been seen on two occasions in Rossi's Ice Cream Parlor with beautiful Bertha Flintlock, the president's daughter. Flintlock was getting old, and—well, you know how things work out. Yes, Bertram had a future—there was no question about that.

And then something happened.

One morning he arrived at the office with his face lined with worry, instead of his usual smile. He spoke only in monosyllables, and his usual cheeriness was supplanted by a well-developed grouch. A week, and then two weeks passed—and still no change for the better. What the trouble was, no one knew. His thoughts seemed always far away and frequently he could be seen nervously chewing a pencil and mumbling to himself.

His work slowed up perceptibly, and finally one morning, old man Flintlock called him into his office.

"Sit down, my boy," said Flintlock, as Jones, head hanging, shambled in, and slumped into a chair. "Something's radically wrong with you, Jones. You were always happy and full of pep, but now you are a changed man. What seems to be the trouble?"

Bertram wriggled uneasily and replied with hesitation, "I have a great problem, Mr. Flintlock, that's been on my mind for nearly a month. I can't seem to throw it over and it's just been killing me. I'll admit I have slowed up but I just can't help it. The thing is too big for me."

Old man Flintlock cleared his throat. "Well, my boy, we all have problems. I'm an older man than you, I like you personally, and I want to see you succeed, and if you'll tell me what this thing is all about, perhaps I can give you some advice."

Jones squirmed again in his chair. "Oh, Mr. Flintlock, I - I -"

"Come right out with it, my boy, don't be afraid," interrupted the old man.

"All right, sir, since you insist, I will. The question that has been making my life a veritable hell is this: What is the word meaning 'vernacular for ejected' in five letters?"

Flintlock stiffened up in his chair, and with his eyes flashing angrily, brought

his fist down on the desk with a thump and exclaimed—

"Jones, you're fired!"

"Eureka, you have it!" Bertram fairly shouted, as he rose and wrung Flintlock's hand, "Fired, fired, why couldn't I think of it? How can I ever thank you, sir?"

"You can thank me by getting out and staying out," replied the old man testily, as he rescued a cigar stub he had nearly swallowed.

"Oh, well," said Bertram to himself as he walked buoyantly and starry-eyed from the office, "The park is a better place for puzzles, anyway." B.B.T.



THE PRIZE

Can You Make a Cross-Word Puzzle?

"IT IS EASIER to make a cross-word puzzle than to solve one," someone remarked in the office of the CREDIT MONTHLY the other day. Is that true? Let's see!

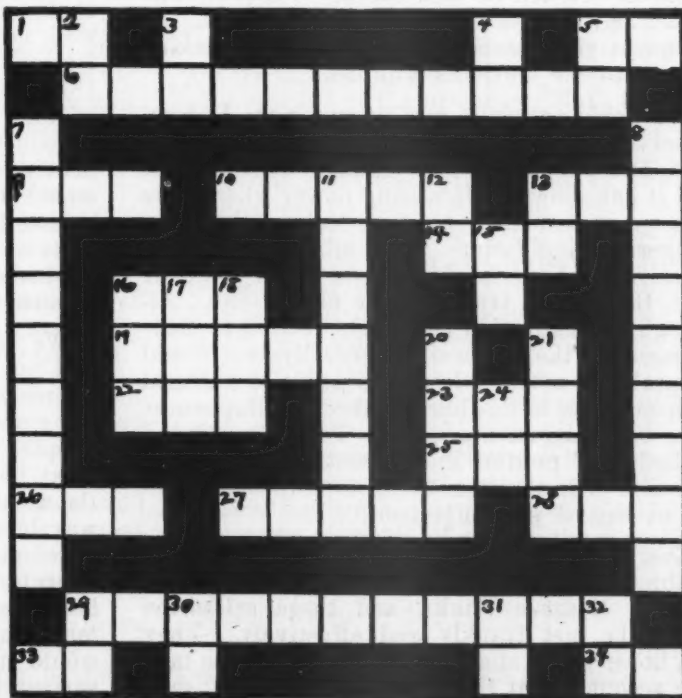
Here is a pattern based on the initials C. M.—meaning CREDIT MONTHLY, or Credit Man, or Cross-Word Mania.

Take the magazine home tonight, get out your pencil, and, *confining yourself to words or ideas in this issue of the CREDIT MONTHLY*, fill in the pattern.

Put your puzzle, with the solution, in the mail not later than February 15, 1925, addressed to Dr. Regus Patoff, (formerly Professor of Triviology at the University of Rien) Puzzle Editor of the CREDIT MONTHLY, 41 Park Row, New York, N. Y.

The maker of the five best puzzles will receive a handsome gilt and enamel watch-charm, of which a photographic reproduction appears above.

This competition is not open to members of the Editorial, Research, Statistical, Business Management, Advertising, Subscription or Manufacturing Departments of the CREDIT MONTHLY.





THE CREDOSCOPE

John D. Tregeoe

THE TENTH BIRTHDAY OF THE FEDERAL RESERVE SYSTEM

IT SEEMS BUT YESTERDAY WHEN WE were debating the merits of the Federal Reserve Bill. Contending opinions as to its utility and value were discovered on all sides, and among its chief critics were some of our most prominent bankers. Ten years' experience has converted many of the early critics; and to the unprejudiced mind there can be but sincere gratitude for what the System has accomplished through one of the most trying periods of the Nation's history.

One thing that the American people has always lacked is a banking sense. The unfortunate experiences with banking institutions, after the passing out of the Second Bank of the United States, appeared to turn the people against any Federal banking system. And right through our history there has been shown a remarkable hospitality for the silliest and most thoroughly unconsidered ideas about banks and banking. It will be well for us to correct this defect and become more appreciative of the importance, yea, the necessity of a sound banking system to the Nation's welfare.

We would not claim perfection for the Federal Reserve System; but beyond dispute its usefulness has surpassed our earliest expectations, and it has shown a stabilizing power when there was every tendency to disorderly and highly dangerous liquidations. The administrators of the System have so far as we could discover been thoroughly true to their obligations. Although an institution so closely related to Government as the Federal Reserve System would naturally be more or less susceptible to political influences, yet in this one instance such influences have been almost negligible. To the continued exclusion of politics in the control and administration of the System the best powers of financial executives should be bent.

Every now and then, little criticisms arise as to the investment of funds accumulated in the Federal Reserve Banks, and these criticisms should be met frankly and effectively. They are, however, of slight importance when we take into account what the System has accomplished

and can accomplish in good times and especially in financial emergencies.

We are more than delighted to extend felicitations to the Federal Reserve Board and to the administrators of the Federal Reserve Banks upon the tenth birthday of the System. We urge the business public to recognize the need of the permanency of the System and to allow nothing to arise that will jeopardize in any way the renewal of its charter when the twenty years of its chartered life are being rounded out.

A WONDERFUL PRINCIPLE

MOST OF US ARE SO CLOSELY ENGAGED with the immediate present that the causes leading up to the present are unconsidered and neglected. What is happening today is the result of yesterday's happenings, and will influence the happenings of tomorrow.

I like to reflect upon our beginnings as a nation and the causes that led to our enormous influence and wealth. In the first 107 years of our national life, we discover many interesting currents and many problems that might just as well not have happened. In this period the Nation passed through its five major panics: 1819, 1837, 1857, 1873 and 1893. For 87 years of this period the Nation bought more goods abroad than it sold abroad, and this foreign indebtedness was largely liquidated by investments in our promising industries. In this period we accumulated not more than fifty billions of national wealth, and at its close in 1896 we had not very much to boast of and a stock of monetary gold amounting to \$8.50 per capita.

We had not grown in this period industrially and financially in proportion to our growth in population: beginning with three million people, we close the period with seventy-one million people. Now what was missing in this period, what held us back from greater progress and the accumulation of greater wealth, when wealth was lying all about ready to be unfolded and developed? I would say that the absence of co-operation is the answer to the riddle. If there had been co-operation in the business of the land, the Second Bank of the United States would undoubtedly have been continued. The serious mistakes of the banks in financing wild

schemes and speculative ventures that culminated in panics and depressions would not have occurred if co-operation had controlled.

Beginning with 1896 the scene changed. In that year co-operation was clearly enunciated as the remedy for disorderly credits. The truth burst with great power on the Nation at the time that the National Association of Credit Men was organized and gave voice to this sentiment. In twenty-eight years under the wonderful influence of co-operation the national wealth has increased not less than 250 billions. Our domestic commerce has more than quadrupled. The factories were turning out in 1896 about 14 billions of commodities, and during the year 1924 turned out at least 60 billions of commodities.

A credit technique founded upon co-operation has been the prevailing influence in this great progress, and to nothing should we be more devoted and loyal than to the principle that has meant so much to our national welfare. Everything or anything that tends to diminish or depreciate co-operation in our business and financial affairs should be removed. Our progress in the future as in the past quarter of a century will rest quite as much upon co-operation as upon all of the Nation's wealth and influence.

ENCOURAGING COMMERCIAL CRIME

WE HAVE NEVER GIVEN TO CRIME THE scientific and humane treatment it deserves, with supreme emphasis on prevention.

Twenty years ago I was led to study crime as part of a public task I had accepted; and it was not long before I realized how imperfect was its judicial treatment, and how little progress had been made in treating its causes. I hoped then that in not many years the same critical examination would be made into the causes of crime as has been made into the causes of other social disorders. I hoped that our courts would become the avenues through which criminals would pass for hygienic treatment rather than places merely where sentences were imposed for incarceration for long or brief periods.

In my studies I discovered men who could no more resist the temptation to steal than any of us can resist the desire to eat when hungry. Confinement merely aggravated the disease of these men, who were ever a menace to society because of improper and inhumane treatment.

Being lenient is seldom the humane treatment of crime. In many instances the criminal were better set aside for his natural life, unless science had discovered a method to bring about his recovery. I found inverted morals and jangled nerves that were responsible for a great deal of crime. These might have been more effectively treated in a hospital than in a prison.

In commercial crime, however, I have never found an offender of unsound mind; never one who wasn't sufficiently keen or crafty to divert

and convert the property of his creditors to his own uses. I am sure that to most commercial criminals there is a strong dread and fear of the prison, although to some a brief session in prison seems a small price to pay for thousands of dollars raked in by deceitful and criminal methods.

Unless prevention is more thoroughly stressed, we cannot hope to control outbreaks of commercial crime. It is a contagion and needs hygienic treatment. The rising tide of crime recently noted is not, in my opinion, so much the result of new tendencies as of the encouragements we have given to crime by our unscientific and improper treatment. If the dread of prison will act as a preventive, use it as a means to prevent the criminal outbreaks in some. If the prison holds no dread to others, then use other means,—and in most instances the criminals of this type will be found sick or defective.

Recently three brothers were proved upon clear evidence to have stolen about \$20,000 from their creditors. After a plea of guilty they were sentenced each to pay a fine of \$200. How perfectly absurd is such a sentence! Unquestionably, these fellows will resume the game that proved so profitable. Upon the prosecuting attorney who accepted the plea and the court who imposed this sentence must rest the responsibility of encouraging crime.

A little more than a year ago, the National Association of Credit Men succeeded in finding evidence that convicted a man, in one of the far Western cities, of commercial crimes that indicated a very perverse and an immoral mind. A great deal of effort was expended on the case. A conviction was secured, with a sentence of four years in the Leavenworth prison. Only recently this man,—to the amazement of everyone who had suffered by his depredations,—appeared on the streets of the city where his conviction was obtained. How had it happened? A very influential senator had been appealed to by a relative of the prisoner. With tears in her eyes she had told a woeful story, that worked upon this big man's sympathy. Without grubbing into the case, without making any efforts to discover its real merits, he became an intercessor, seeking at first a pardon for the man and, failing in this quest, a parole. When confronted later with the facts he recognized that a serious mistake had been made, that he had really been made an instrument for the encouragement of crime.

In grappling with the complexities of the subject, we should not lose sight of the need of preventing commercial crime. There is much to be done along educational lines. Public prosecutors, the bench, the public need to know more about the elements of crime, and how it should be handled in order that criminal tendencies may be properly controlled and those who are curable cured by the right process.

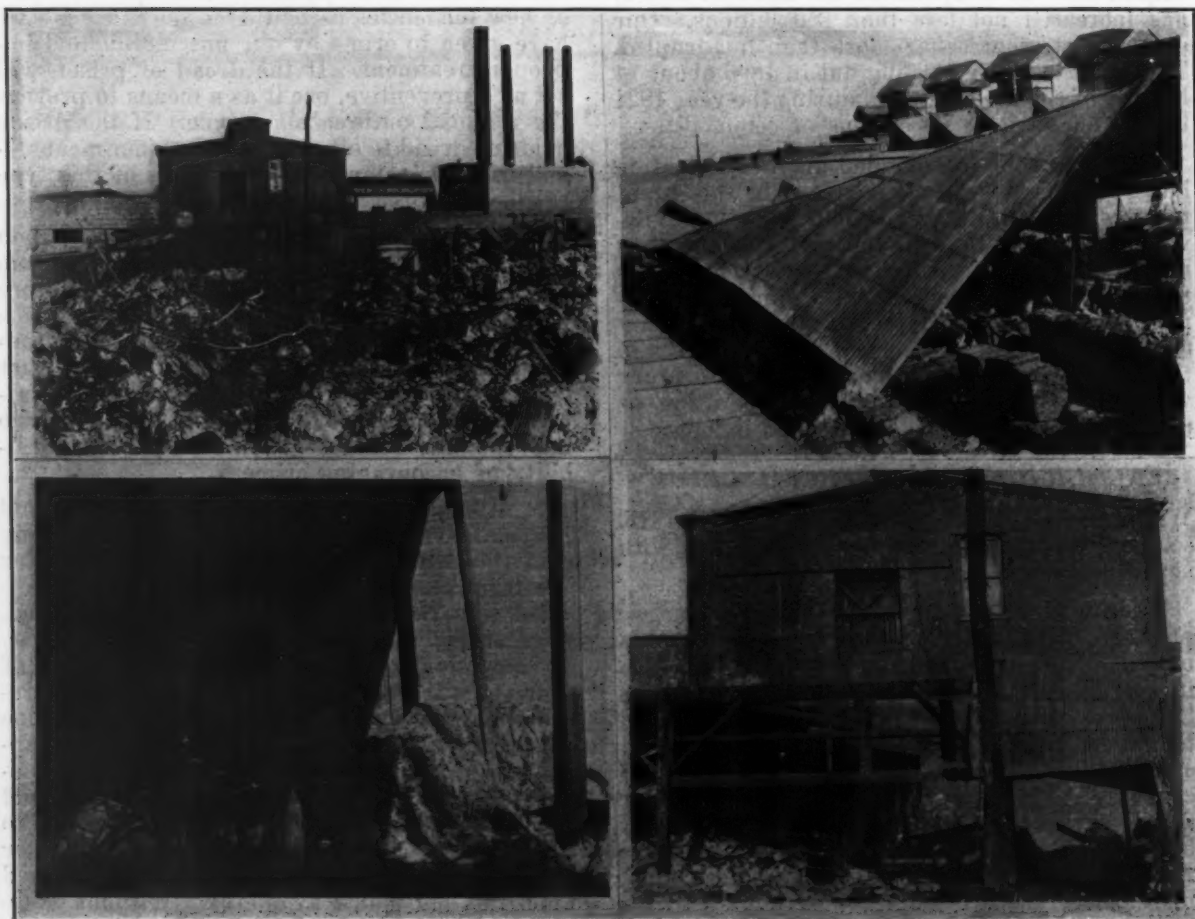
Let us bear in mind that leniency in most instances is unscientific and inhumane.

Value of Experts' Advice

Fire Precautions Prevent Total Destruction of Plant

By William Walker Orr

Manager, Eastern Division, National Association of Credit Men



UPPER PICTURE.—The simplicity of the protective water-curtain device is here shown. It consists of a run of pipe above the various openings which will be seen in a close study of the picture. As the pipes are exposed to the weather, they are of the "dry sprinkler" type, requiring water to be pumped into them when emergencies arise.

LOWER PICTURE.—This simple wooden door, only 25 feet from a driving flame, was no more than charred because the little pipe above it provided, through twelve hours of burning, a sheet of flowing water that the fire could not penetrate.

UPPER PICTURE.—A glimpse of the stretch of main buildings toward which the wind carried the heat and flame. Without the protective devices that an open-minded management had installed the whole plant would have been wiped out.

LOWER PICTURE.—A pipe into which water was pumped at the first alarm of fire provided a curtain of water over this ordinary glass window. Thus were secured protective qualities equal to the surrounding brick wall.

A FIRE from which valuable lessons can be drawn occurred this Fall in one of the large manufacturing plants located along the Hudson River. It was especially interesting because, had the plant managers been adamant to suggestions for fire prevention improvements made by insurance engineers, a far more serious loss would undoubtedly have been experienced.

The plant in question, located at Piermont, N. Y., is one of the several units

of the Robert Gair Co., and covers a large manufacturing and storage area. The waste paper and pulp stock used in the manufacturing of paper boxes invited a disastrous fire should the flames spread from the storage sheds into the main plant. This serious exposure hazard offered by the large storage areas adjacent to the plant proper was fortunately observed by the insurance engineers and guarded against by the precautions of the plant managers. The cost of carrying out

the fire prevention program was reduced by a saving in insurance premiums, but the added safety to the plant and the lives that it sheltered contributed largely to the decision that was reached.

Sprinklers were installed in the sheds immediately communicating with the main building and fire cut-offs and shutters placed where necessary. At selected points, a run of pipe made possible a curtain of water on the side of the main

(Continued on page 22)

Credit In Chinatown, N. Y.

And How a Creditor Seeks a Missing Debtor

DESPITE the fact that New York's Chinatown is engaged in one of the most bitterly contested tong wars in its history, business is going on as usual.

The members of the two warring factions, the On Leongs and the Hip Sings, both tongs or merchants' associations, which have reached their present development in the past three decades in the

went to Chinatown at the request of the CREDIT MONTHLY.

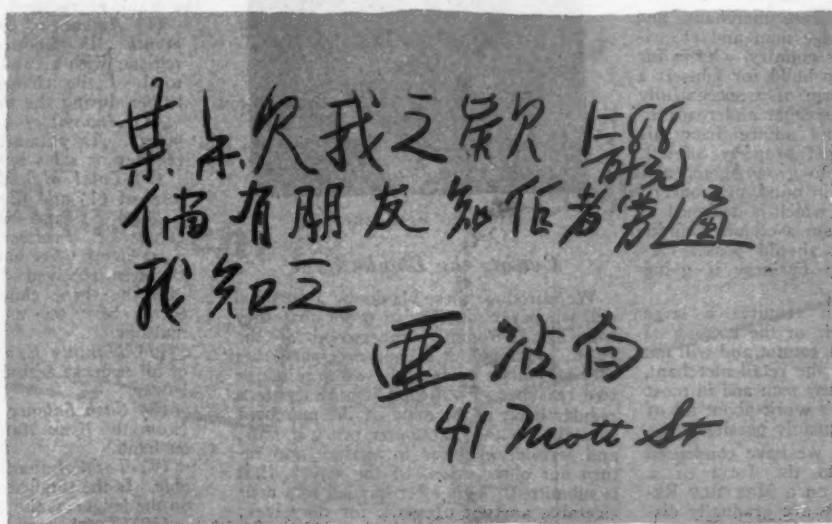
Chip Kee & Co. of 11 Mott Street is the largest supply house in Chinatown. The head of it was found, standing outside on the curb, where he meets prospective customers, and transacts business with them.

The interior of the store contained about 500 square feet of floor space,

sociation, or tong, Mr. Chip had nothing to say.

Missing Debtors

Among the most colorful and picturesque sights in New York are the two large and crowded bulletin boards in Chinatown, which take the place of newspapers. On them are tacked various handwritten announcements, statements and ad-



"Owes me \$128.80. If anyone knows where he is, please let me know."

United States,—continue to trade with each other as if nothing unusual were in the air.

According to immemorial custom, business is done mostly on a credit basis. The reason is the same that prompted Lie Hu Ging, Secretary of the Chinese Benevolent Association, to give twenty-five dollars to an aged man who came to him appealing for aid, when the writer was present.

"Nothing was said about reasons or references," Mr. Lie explained. "He gave me his word and name, that was enough. I never saw him before; but he will pay the money back when he is able, even if it takes years.

"Among my people," he went on, "A man's word is dearer to him than his life."

In the little district around Doyers, Pell and Mott Streets, near Chatham Square, New York, is centered Chinatown. It occupies about eight acres yet within it is the center of an immense Chinese trade.

The Chop Suey restaurant has ceased to be a fad, it is now strongly entrenched as an American institution, and has come to stay. The supplying of the thousands of restaurants located around New York has become a business of vast proportions. Nor is this the only trade that occupies the wholesalers of Chinatown. To gain an insight into the Chinese method of handling credit, the writer

crowded with boxes, bales, packing cases and the stout two-handled baskets in which much Chinese merchandise reaches foreign markets.

Customers seldom entered the store. The head of the concern, Kee Chip, met them on the sidewalk outside. As they told their wants, he quoted prices, which were either accepted or rejected. It was understood that there was but one standard of quality.

Seldom Send Bills

When questioned on the subject of granting credit, Mr. Chip said that the American method of thirty day billing was the custom. "But," he added, "we seldom have to bill our people at all.

"In nine cases out of ten we are paid inside of ten days, before one of our many feast days, when all debts are supposed to be paid. If an account remains unpaid, we send a bill with an interest charge added,—but this is seldom necessary. The reason is that the Chinaman has a horror of 'sin youin', which means in English, debt."

"Don't think," he went on, "that we do not have bad debts. We do; but usually some member of the debtor's family sees that the debt is paid, in order to clear the family name, uphold its dignity and its centuries old tradition of honest dealing and of promises that have been scrupulously kept."

When questioned on the matter of trading with members of an opposing as-

vertisements on orange or fire-cracker red paper. Among these notices occasionally appears one such as is reproduced photographically in this article. Freely translated it says, "So and So owes me one hundred and twenty-eight dollars and eighty cents. If anyone knows where he is, please let me know. John Doe, 41 Mott St."

Paying an Enemy's Debts

A man with a thorough American education who holds high place in one of the tongs, in discussing the question of credit in Chinatown, said to the writer:

"If a tong member happens to get killed, and he owes money to a member of the opposite tong, the debt is often paid by the attacking tong before the attack. This is a way of informing a man that he is marked for death.

"If an avowed On Leong wants to go over on Doyers Street, the strong-hold of the Hip Sings, he sends word by a child to the Hip Sings. They say whether or not he can go in safety,—and they wouldn't violate their word for anything.

"Very seldom does one hear of one of our people being buried as a pauper, for we have a very high sense of honor. It might interest you to know that one merchant, to whom I saw you talking a few hours ago, paid an income tax last year that was in five figures. That is by no means uncommon down here."

VIVIAN HARLEY.

Helping Hardware Retailer

Jobber's Credit Man Does Constructive Work

By Howard F. Barker

Belcher & Loomis Hardware Co., Providence

OPPORTUNITY is knocking at the door of every credit manager and of every wholesale hardware house to do some really constructive work for the retailer of hardware, thereby, incidentally, putting his own department in the class with the sales department where it belongs.

Every retail hardware merchant, and especially every garage man and electrical contractor in this country, who is far sighted and wants to build for himself a monument in the form of a successfully conducted business, is eager and ready to receive assistance and advice from his friend, the jobber. If properly offered, these will help him to grow bigger and stronger. With this in mind, my concern has instituted a plan which is designed to give the retail merchant a certain definite knowledge which he should possess regarding the way his business is going each month.

Any system which requires a large amount of extra work, or the keeping of extra books of record, cannot and will not get very far, because the retail merchant, as a rule, is a very busy man and in most cases puts into a day's work about all of the hours that are humanly possible.

With this in mind, we have condensed twelve questions into the form of a "monthly barometer" on a MONTHLY REPORT SHEET, which we are gradually distributing to our customers. The answers to these questions provide facts which we believe every merchant should know regarding his business.



HOWARD F. BARKER

Getting the Blanks Used

We introduce these blanks by a personal call whenever possible, in order that they may be thoroughly understood at the start. Although it is not necessary that they be sent to us monthly, we urge it, for two reasons: *First*, that it may create a regular habit in the mind of the merchant to make up this barometer every month; and *second*, we offer to analyze and return our observations of the report, if it is submitted. This offer has led to a considerable amount of work for ourselves; but it is unquestionably constructive work of real value to our customers and ultimately repays us in the information secured by us and the good will created.

Business Service

Most of the questions can be answered from the footings of the cash register, or such simple books of accounting as are already in use. The following sets forth briefly an explanation of the questions which are, for convenience, numbered in the blank reproduced herewith.

(1) *Amount of Credit Sales for the month.* Is obtained from the cash register with a Credit Dial, or from a total of the charges posted to the ledger during the month.

(2) *Amount of Cash Sales for the month.* Is obtained from the cash register or sales book total.

(3) *Total Monthly Sales.* Is the total of (1) and (2).

(4), (5) and (6) *Monthly purchases of Hardware, Paint and all other items.* Are obtained by dividing Invoices received during the month into the three classes, and totalling each class on a pad or adding machine.

(7) *Monthly Expenses.* Is a total of all expense accounts carried on the ledger.

(8) *Cash Balance at end of month.* From the bank statement, plus Cash on hand.

(9) *Total Amount of Bills Receivable.* Is the total of all open accounts on the ledger at the end of the month.

(10) *Total amount of Bills Payable.* Is the total of the Monthly Statements received for merchandise, plus any notes due the banks or individuals.

(11) *Estimate of Merchandise on Hand.* Is obtained in a fairly accurate manner by taking the Inventory of January 1 and adding to it the purchases since that time, and subtracting, from the total, sales at cost. (To find the sales at cost the retailer deducts the percentage of profit from the gross sales.)

(12) *Estimate of value of Fixtures.* Is the January 1 Fixture inventory, plus any additions which have been made to that figure since the first of the year.

Comparatively Simple

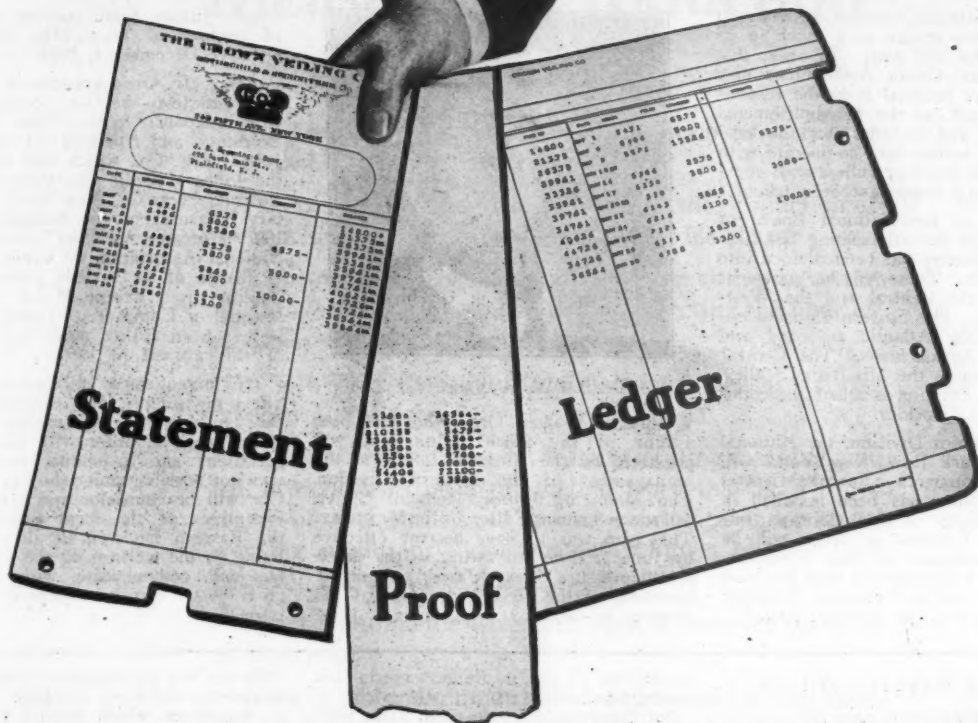
It is apparent that this is rather a simple operation and should not require a great amount of time at the end of each month, if ordinary methods of accounting are employed. Many retailers have shown themselves highly responsive to the suggestion that they submit their businesses to analysis in this manner, although occasionally some persuasion has been necessary to get some of them started.

We believe that if this system could be sold to the majority of the retail hardware merchants, garage men and electrical contractors throughout the country, it would greatly assist them, and in many instances point the way to bigger and better business. Anything which can be done to inspire the jobbers to render this Business Service to the retail merchants, will be a genuinely constructive measure.

REPORT OF _____	
MONTH ENDING _____ 19__	
1. Amount of Credit Sales for the month	\$ _____
2. Amount of Cash Sales for the month	\$ _____
3. TOTAL MONTHLY SALES	\$ _____
4. { Hardware	\$ _____
Monthly purchases 5. { Paint	\$ _____
6. { All Other Items	\$ _____
TOTAL MONTHLY PURCHASES	\$ _____
7. Monthly Expenses	\$ _____
8. Cash Balance at end of month	\$ _____
9. Total Amount of Bills Receivable	\$ _____
10. Total Amount of Bills Payable	\$ _____
11. Estimate of Merchandise on hand	\$ _____
12. Estimate of value of Fixtures	\$ _____

MONTHLY REPORT SHEET for Retailers. Actual size 8½ x 11 inches.

Burroughs



Ledger, Statement and Proof in ONE OPERATION!

This new Burroughs Automatic Bookkeeping Machine posts the ledger and makes the customer's statement—both originals—and then proves the accuracy of both in one operation.

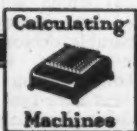
It does so much of the work automatically and operates with such speed that the time saved quickly pays for the machine.

Then, too, proved statements are always ready for mailing, and an accurate up-to-the-minute ledger balance is always ready for instant credit reference.

Let a Burroughs man show you how this new Burroughs Automatic Bookkeeping Machine can be applied to your bookkeeping department.

If you're located in one of the more than 200 cities where there is a Burroughs office, phone us. Otherwise, ask your banker for the address, or, if you prefer, simply sign the coupon and we will send you further information.

BURROUGHS ADDING MACHINE COMPANY
DETROIT, MICHIGAN



Burroughs Adding Machine Co.
6450 Second Blvd.
Detroit, Michigan

I would like to have further information about the new Burroughs Automatic Bookkeeping Machine.

Name

Business

Address

Credit Organization Plans

W. W. Orr Promoted to be Eastern Division Manager

By J. H. Tregoe

Executive Manager, National Association of Credit Men

THE National Association of Credit Men has grown very much in its purposes and aims. In order that the local Credit Associations may share with the national body the responsibilities as well as the accomplishments of the work, and in order that the local and National bodies may co-operate with one another in the very fullest way, some notable forward steps have been taken.

By action of the National Board of Directors in its annual meeting last September, the country has been divided into three divisions. These will be known as the Eastern, the Central and the Western Divisions. The Eastern Division extends along the Atlantic seaboard and west of the Appalachians. The Central Division embraces the Mississippi Valley. The Western Division is all of the country west of the Rockies.

For the Eastern Division, the National office at 41 Park Row, New York, will serve as headquarters. For the Central Division an office has been installed in Chicago, in charge of E. B. Moran. For the Western Division an office will be opened this summer in San Francisco. There will be a Manager in each Division responsible to me as Executive Manager and through me to the National Board.



W. W. ORR

William Walker Orr, who has been Editor of the CREDIT MONTHLY, was promoted by the National Board to the management of the Eastern Division. The Managing Editor, Rodman Gilder, will succeed him as Editor of the MONTHLY. This plan was to have become effective by June 1, 1925, but owing to the unexpected pressure of work arising from the launching of the Great Adventure of the Association,—namely the raising of a

Credit Justice Fund for the suppression of commercial fraud,—the plan became effective December 1, 1924.

After Mr. Orr's graduation from Harvard in 1896, he was connected with Minot Hooper & Co., New York, was Secretary and Director of the H. W. Johns Mfg. Co., which was merged into the Johns-Manville Co., President of the Colonial Press Co., New York, and Secretary-Treasurer of the Scarsdale Co. In 1907 he became Assistant Secretary of the National Association of Credit Men and in charge of its various publications including the "Credit Man's Diary and Manual of Commercial Laws" of which he has been Editor since the first issue of this annual in 1909.

This arrangement will not in any wise affect my interest and responsibilities to the Division: it will merely permit a closer working order with the local Associations and a binding together that was not possible under the old plan. Mr. Orr will be counselor and friend of the executives of the local associations of the Eastern Division in all matters relating to the welfare of the associations. He will communicate with them frequently and respond whenever assistance is needed.

Value of Experts' Advice

(Continued from page 18)

building from which the possibility of heat and flame was greatest. It was the last described protective device urged by the insurance company engineers that was destined to play the leading part and stand successful guard against a flame that probably would have devoured several hundred thousands of dollars in property and paralyzed the plant. The cost was but a few hundred dollars.

Precautions None Too Soon

It was well that these provisions were made when they were, for only a few months later fire broke out in the storage sheds and threatened the main building. Flames leaped across the 25-foot gap and beat against the brick walls with their doors and windows protected by the curtain of water. For eighteen hours the flames raged and streams of water were played on this fiery furnace for almost a week before the last spark was extinguished.

Where the automatic sprinklers had been installed in the sheds which backed right up to the main building, the fire was halted in short order.

There could be no better illustration of the value of expert fire prevention advice as offered by the larger insurance companies, than the Robert Gair fire. The setting had been right for disaster. The place where the hottest fire could be generated was where the fire actually began. Where it had been impractical to protect the flimsy storage sheds, it was possible to cut off the exposure hazard and this was precisely what the recom-

mendations of the insurance experts had accomplished.

But disastrous fires do more harm than burn actual property; they often mean shutdowns with all that horrible word implies—loss of business, customers, skilled labor, and damage to credit. Labor suffers. Whole business suffers. No wonder fire sends many a firm to the wall. Conditions in many a plant invite conflagration. It is probable that insurance engineers have been welcome visitors in the past; but this condition is gradually changing. Managers are not so blind as they were; the realization has come that some of the insurance companies are offering a real service in Fire Prevention Engineering and that its practical application usually means a saving in more ways than one. The experience of the Robert Gair Company should impress and arouse.

Character Analysis First of All

(Continued from page 7)

The credit man in his letters must with great tact hold a customer to his duty to the seller; he must with firmness, yet tact, discuss obligations which the customer has assumed. But in addition there is the thought of making a better customer for the future. The credit man must be trained to write a letter which, though it carries a refusal to extend further credit, will win respect, and if there is need, carry ideas which will educate the customer out of the poor-pay class into the class of desirable debtors.

It is a strategic position which the credit executive holds, calling into play all the talent the best man can muster.

Nor can the credit man do his work properly unless he keeps in close touch

with the live publications of the day, the newspaper, the trade journals, the national magazines which should be gleaned and from them culled the material which will best serve in his work.

Must Understand Investments

If the credit man is to develop sound judgment, there must be a constant checking back of the conclusions he has reached and a comparison of others' opinions on similar conditions. He must study the economic situation and must be able to interpret statistics and their meaning. Thus he can appreciate the relationship between his own activities and the social fabric. Statistics can give an indication of the meaning of the movements and tend to bring us back to that firmer basis from which we are apt to wander unless the activities of the day are intelligently related to the laws of economics which rule over business operations.

Then the credit man must be trained in the operations of finance. He must be able to distinguish between speculative and sound investment processes. He should know how various business enterprises are financed, the kind of securities that are appropriate for issue under varying conditions and the importance of studying the markets at the time of a financial issue and the purposes for which the proceeds are to be used.

Surely a wide training is called for in the work that lies before the credit executive. With so much real responsibility resting upon him, with the demand for various kinds of training it is essential that he focus upon the most worth-while things in life, the things that are clearly to prepare him better for his task.

Measured Production

Are your figuring machines fits or misfits?

You know the importance of production as it relates to a machine.

A shop foreman can give you off-hand the production of any machine or group of machines under his charge.

Ought not the person in charge of Accounting have the advantage of the same information respecting the figuring machines under his supervision?

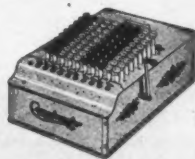
In both cases, the value of the machine is measured by its capacity to produce.

If, before signing an order for any figuring machine, you will always insist on a production test—that is, a timed record of work turned out in your own office under actual working conditions—you will never buy a *misfit*. It is better to know than to guess.

The Comptometer welcomes such a test—competitive or otherwise.

Let a Comptometer man show you how easy it is to measure production. There is one at your service at any time. No interruption of regular routine. No obligation, no disturbance of regular routine, of course. Look in your phone book—or write us for further information.

FELT & TARRANT MFG. CO.
1717 NO. PAULINA ST., CHICAGO, ILLINOIS



If not made by
Felt & Tarrant
it's not a
Comptometer

CONTROLLED KEY
Comptometer
—EST. 1880—
ADDING AND CALCULATING MACHINE

Only the
Comptometer
has the
Controlled-key
safeguard

These
Business Leaders
Are a Few of the
120,000 Kardex Users

American Tel. & Tel.	Underwood Typewriter Co.
Bell Telephone Co's.	Harvard University
Western Union Telegraph	Standard Oil Company
Postal Telegraph	Eastman Kodak Co.
Western Electric Co.	N. Y. Stock Exchange
American Rwy. Exp. Co.	U. S. Steel Corp.
Pennsylvania Railroad	Aluminum Co. of America
Southern Pacific	Colgate & Co.
New York Central R.R.	Cunard Steamship Co.
General Electric	Fairbanks Co.
Nat'l City Bank of N.Y.	De Laval Separator Co.
Guaranty Trust Co., N.Y.	American Bank Note Co.
Bankers Trust Co., N.Y.	Victor Talking Mach. Co.
Metropolitan Life, N. Y.	Campbell Soup Co.
Marshall Field & Co., Chicago	United Fruit Co.
R. H. Macy & Co., N. Y.	Ward Baking Co.
Lord & Taylor, New York	Radio Corp. of America
Cadillac Automobile Co.	Washburn-Crosby Flour Co.
Buick Automobile Co.	United Shoe Mach. Co.
Goodrich Rubber Co.	Montgomery Ward Co.
Goodyear Rubber Co.	The Carborundum Co.
United States Rubber Co.	The Shredded Wheat Co.
Nat'l Cash Register Co.	United States
Burroughs Adding Machine Co.	Dominion of Canada
American Multigraph Co.	Great Britain
	Republic of France



Kardex Records used in the Mellon National Bank, Pittsburgh, Pa. Thousands of Industrial Ledger Accounts are kept in Kardex.

Kardex Records in the office of E. F. Houghton Co., Philadelphia.



All bond transactions in the New York Stock Exchange are handled with Kardex Records.

THE KARDEX CO.,
643 Kardex Park
Tonawanda, N. Y.

- ☐ Send Kardex Man.
☐ Send information on Kardex Records for

Name.....
Street.....
City..... State.....

Kardex Credit Records

Will stop losses due to fraudulent buying, over-buying, extension of credit to existing bad accounts and extension of credit to concerns or individuals not rated as acceptable risks. Will expedite shipments by speeding up credit authorizations. Will relieve credit manager by placing the credit instructions in such shape that an assistant can readily authorize credit to all good accounts. Will reduce collection cost and legal expense. Mail Coupon Today.

Business Needs Credit Control

The life of modern business is credit. Extend credit wisely. Be sure your knowledge of the facts is accurate. Although the proper control of credit makes success, carelessness and ignorance quickly bring disaster.

Kardex methods of record-keeping give you sure control over accounts receivable regardless of the number of your credit customers. Great leaders in business, such as Marshall Field & Co., keep thousands of accounts in Kardex. Other types of business organizations that carry but few accounts find Kardex equally valuable in their work.

In every department of business Kardex cuts costs, stops losses and makes profits bigger and safer.

Send for a Kardex Specialist. Use his experience in improving the management methods of your business through accurate knowledge of the facts.

THE KARDEX CO.

643 Kardex Park, Tonawanda, N. Y.

In Canada—Kardex, 58 King St. West, Toronto, Ont.—
London, 3 Holborn Viaduct, E.C. 1.—Paris, 24 Rue de la
Fidélité. Kardex stores in leading cities throughout the world.

*Credit Record, Innis Dry Goods
Co., Wichita, Kansas.*



*Marshall Field & Co., Chicago, control
credit authorization on thousands of ac-
counts with these Kardex Records.*

©1925
The Kardex Company

KARDEX

WORLD'S LEADING CARD RECORD

January Collections Made Easy

THE CREDIT MAN'S LIBRARY SHOWS HOW

Effective Collection Letters by Tregoe & Whyte

ONE credit manager broke all rules by writing about feather beds. The letter pulled BIG. Another credit man wrote about Mutt and Jeff. His letter brought in the bacon. A third credit man inquired about the debtor's son. The comeback gave him a jolt—but brought the money. These are but three of 300 examples J. H. Tregoe, Secretary of the National Association of Credit Men, and John Whyte, Director of Education and Research of the same association, offer from their private selection of Effective Collection Letters—regarded as the most useful book of its kind ever published.

Over 300 letters were selected because they pulled a high rate of return. Tested and known—not by theory—but by big results. The letters are reproduced and are accompanied by brief to-the-point remarks. This is the first book to show, also, how to handle the customer's come-backs. Handsome binding, 6x9 inches\$4.00

Financial Organization and Management

by Gerstenberg

HERE'S a book which goes straight to the heart of every money question. It tells exactly:

- how best to present a balance sheet to a banker
- how to minimize taxes
- how to borrow money
- how finances should be managed
- how indebtedness may be met

The book describes methods and features which are often overlooked but which make or break a business. It is the thorough book—complete. It describes the actual plans and policies that have been used with success.

635 pages, 6x9 inches\$5.00

Auditing by Bell

The first book to make clear the why and ways of modern practice. Shows especially how to plan audit, prepare worksheets, where to look for possible slip-ups and how to install the necessary systems. Covers all principles and draws illustrations from actual problems.

500 pages, 6x9 inches\$5.00

HAVE YOU SEEN THESE? Federal Tax Course

Clearly explains points to watch in preparing the new tax returns. Shows exact answers to 253 most bothersome questions—contains set specimen returns showing items to be specially watched. Printed in loose-leaf form, with handsome durable binder. Includes filled-in specimen forms with explanations.

Complete\$10.00

Insurance of Foreign Credits by H. J. Loman

THERE was a time when the seller assumed all risks of foreign credits. Today a firm can procure protection against loss of foreign credit. As H. J. Loman points out in The Insurance of Foreign Credits. Financial Risks can be absorbed. The various types of Credit Insurance Companies and Policies are discussed. Complete details are given on how settlements of losses are affected and how reinsurance is obtained.

141 pages 6x9 inches\$2.00

Principles of Accounting by Finney

Clearly explains the entire subject in a practical interesting way. The chapters on analyzing Financial Statements are themselves worth the cost of the entire books.

In two volumes,\$5.00 each

Export Credits and Collections by Poole

IT IS just as easy to collect Dinars from Serbia or Drachmas from Greece as it is to collect American Dollars. With export selling a fixed factor the big problem is—how to collect the money. Gordon C. Poole, formerly Credit Manager of the E. I. duPont de Nemours Export Co. and now with Kountze Brothers, Bankers, gives a detailed survey in Export Credits and Collections.

The book discusses the various services which are now available for the procuring of foreign credit information. The different types of "letters of credit," sales and shipment drafts and methods of collections are described in detail. All phases are covered including the creditor's legal rights as fixed by common law of foreign countries. The book is packed with facts—based upon experienced familiarity with ways and means of foreign credits.

180 pages, 6x9 inches\$1.00

Credits and Collections by Ettinger & Golieb

THIS book is officially endorsed by the National Association of Credit Men. It is the standard, practical book on the subject. The book shows just when and when not to grant credit and covers in full the work of the credit man. Its thoroughness is indicated by a few of the topics discussed.

- analyzing and interpreting financial statements.
- collection systems
- legal steps and how to take them
- bankruptcy
- trade acceptances and other credit instruments

A glance at this book will show you that for both you and your assistants it can't be beat.

400 pages, 5x7½ inches\$4.00

Installment Sales and Collections by Griffin

A "DOLLAR down and a Sheriff a week" used to work but today when a man buys a home, automobile, clothing, furniture, jewelry, machinery, musical instruments, radio, and stocks he contracts for "convenient terms." But just as long as some try to buy without spending and assume "convenient" means "never," installment houses must use thoroughly tested methods. One's own ideas may go astray—at a loss to the house. The tried methods—profitable methods are published for the first time in Installment Sales and Collections. In this volume Bryant W. Griffin, formerly of the Guaranty Banking Company and now Assistant to the President of the Gotham National Bank, shows how systems, phones and wires are used by the best organized installment houses of the country. A digest of the conditional sale and Chattel Mortgage laws are shown for each of the 48 states. Incidentally, do you know what four states do not consider a conditional sale as valid?

205 pages, 6x9 inches\$4.00

Investments by Jordan

Recognized by financiers and investment houses as the authoritative manual of its field, in readable non-technical language, covers bonds, stocks and all securities.

424 pages, 5x7½ inches\$4.00

Published by
PRENTICE-HALL, INC.
70 Fifth Ave., New York

Sent
on
Free
Examination

Use the coupon

Prentice-Hall, Inc.,
70 Fifth Ave., N. Y.

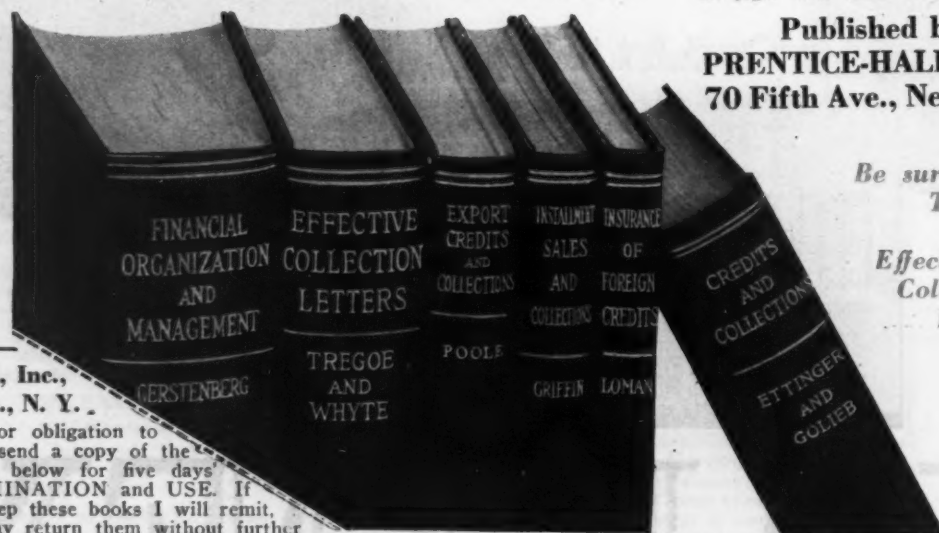
Without cost or obligation to me, you may send a copy of the books checked below for five days' FREE EXAMINATION and USE. If I decide to keep these books I will remit, otherwise I may return them without further obligation.

Name
Firm
Address

- [] Effective Collection Letters \$4
- [] Financial Organization and Management \$5
- [] Federal Tax Course \$10
- [] Export Credits and Collections \$4
- [] Insurance of Foreign Credits \$2

- [] Auditing\$5
- [] Installment Sales and Collections\$4
- [] Credits and Collections\$4
- [] Investments\$4
- [] Prin. of Accounting, Vol. I \$5

CL 207



Be sure to see
Tregoe &
Whyte's
Effective
Collection
Letters

What Books Helped You?

The Book Editor Asks that you Send Him the Title of any Book that Should be Reviewed Here

Putting the Financial Man in His Place

LOTTERY. W. E. Woodward (Author of "Bunk"). Harper & Bros., N. Y. 1924. 430 pp. \$2.

In this novel by a former business man and banker are many scenes at which the business executive will enjoy a reminiscent chuckle. In one of these, the hero, whose success has been due chiefly to accident and to a careful manager, asks the manager whether he has any idea how much the business is worth. The story continues:

His subordinate looked at him in goggle-eyed wonder. "Any idea?" he queried. "Why, I know exactly how much it's worth. We get a balance sheet every month; you get one. A balance sheet. I gave you one the first of this month."

Far-seeing Garrison brushed all this aside with a Marshall Field gesture. "Oh, I know those figures," he said. "They'd discourage a goat. I never pay much attention to 'em. Have you got any idea how much this business is really and truly worth?"

"Oh, yes," the arithmetical Lester came back briskly. "It has a net worth of about five thousand dollars after bills are paid."

"Well, that shows how much you know about it, Lester," J. J. exploded. "For God's sake, you'd better quit your accounting if that's where it leads you. Losing money—"

"Oh, I didn't say the business is losing money," Lester interrupted. "I said—uh—as far as profits are concerned it is doing fine. We made twelve thousand dollars last year."

"Uh-huh—uh-huh," Garrison said. "Now we're getting somewhere. We made twelve thousand dollars last year, eh? Well, where's that money gone to? Tell me that?"

"Why, you drew it out."
"I drew out twelve thousand dollars? Get out! I got my hundred dollars a week, and occasionally I'd dip in for a few hundred more, but you can't tell me—"

Lester held up his hand in a gesture of interruption. "I don't have to tell you," he said. "I have your receipts for ten thousand five hundred dollars. You drew that amount. You can look at 'em if you care to."

Garrison sat in glum silence for a moment, his chin in his hand. "I'm damned if I know what I did with it."

With a faint smile Lester said, "If you don't, I'm sure I don't. . . . The business today has a net worth of about five thousand—"

His employer straightened up suddenly. "Lester, you're all wrong. You don't figure things at their value. Lemme show you something now." He took from his pocket a paper covered with rambling lead pencil calculations.

"Look at this," he said eagerly. Sitting in the hotel last night I got a piece of paper and figured out just how I do stand. I figure that I'm two hundred and

sixty-one thousand dollars to the good . . . and that's pretty nearly right, lemme tell you."

Lester took the paper with a what-is-this expression and studied it solemnly. "Why, you've got the value of the button patent at two hundred and fifty thousand dollars. What is this, anyway?"

"Oh, it's getting down to brass tacks—that figuring," said J. J., with rippling and flashing pride. "You're such a pessimist, with your balance sheets, that you'd figure the very coat off my back if I'd let you. . . . God! you're dangerous; yes you are, Lester. You'd put a business in bankruptcy with your figuring. . . . Now, that paper"—he laid his hand impressively on it—"is just how we stand today. You can take it and use it as a model, so the whole matter of how much this business is worth can be settled for good."

Lester, dazed, murmured, "Two hundred and fifty thousand dollars! Did you get that figure out of the air—or how?"

"That's figured down from expert opinion. Figured down, mind you—not up," the button magnate replied. "George Cryder—one of the biggest advertising men in the United States—looked over this proposition day before yesterday, and he says the Garrison button is worth at least a million dollars. That's his judgment, and he's an expert. . . . Well, I put it in at a quarter of a million to be absolutely safe and conservative. I don't want anybody to come around later and say that I let my imagination run away with me."

Lester Muffin suddenly changed his manner. "All right," he smiled, "call it a quarter of a million, if you want to. Call it a million, if it does you any good. If you want to be dead sure, though, just run around to the bank and try to borrow ten thousand on it."

That's a sarcastic crack you're spilling now," Garrison remarked. "I've always noticed that when a fellow gets licked in an argument, he grows sarcastic."

For Department Heads With Ambition

TAKING THE GUESSWORK OUT OF BUSINESS. William R. Basset. B. C. Forbes Publishing Co., N. Y. 1924. 196 pp. \$2.

This is the kind of book that helps to make super-executives out of ambitious department heads. It is a book such as the president of a large corporation might well place in the hands of all important executives under him. Even if one of these executives found no new ideas in the book applying to his own department, he would be certain to get a perspective on the business as a whole; he would learn some of the problems which his associates were facing; he would be qualifying for promotion.

The industrial engineer, who is the author of the book, is described by Samuel Crowther, in a preface, as knowing "more about industry that any man in the world" and this opinion is based upon a close association of ten years.

The chapter subjects are as follows:

I. Guesswork vs. Scientific Planning; II. What Are You Going to Sell?; III. The High Cost of Variety; IV. Taking the Risk Out of Personal Selling; V. Taking the Risk Out of Buying; VI. Eliminating the Financial Risk; VII. To Get the Most Out of Advertising; VIII. Choosing a Sound Credit Policy; IX. Eliminating the Risks of Strikes; X. Making Sure of Low Production Costs; XI. Making Sure Your Prices Are Right; XII. The Sure Way to Profits.

Work Well Done

A MESSAGE TO GARCIA [AND TWO OTHER PAPERS]. Elbert Hubbard. Thomas Y. Crowell Co., N. Y., 1924. 48 pp. 50 cts.

More than twenty-five years ago, "A Message to Garcia" was written straight from the heart of an employer who had become exasperated by incompetent and sluggish subordinates. There is still a thrill, for every executive and every man or woman who hopes to be an executive, in these nine small pages of powerful argument in favor of Work Well Done. It is no wonder that more than forty million copies of it have been printed and distributed.

The author says . . . "This incapacity for independent action, this moral stupidity, this infirmity of the will, this unwillingness to cheerfully catch hold and lift—these are the things that put pure Socialism so far into the future. If men will not act for themselves, what will they do when the benefit of their effort is for all?"

"It is not book-learning young men need, nor instruction about this and that, but a stiffening of the vertebrae which will cause them to be loyal to a trust, act promptly, concentrate their energies: do the thing—Carry a message to Garcia."

Useful at Every Stage of a Credit Transaction

THE CREDIT MAN'S DIARY AND MANUAL OF COMMERCIAL LAWS FOR 1925. National Association of Credit Men, N. Y., 1925. 560 pp. \$4.00.

Toward the end of the year, the credit executive is eager to examine his new copy of the "Diary," which is published yearly, for new information to guide him in his work, and to jot down some advance reminders in the convenient space reserved in the book for this purpose.

As in former years, the book is divided into two parts,—the Diary, and the Manual of Commercial Laws. The calendar pages, with two days to a page, make note of importance dates and the holidays, and (a new feature) remind the user of certain taxes and reports due in the several states. This section, appearing at the front of the book, is of obvious daily utility.

Not less useful is the bulk of the book, which has to do with the analysis and application of laws affecting business and especially credit transactions. It contains excerpts and quotations from the law, and on other important subjects the entire statutes are quoted. The major discussions include those on orders, sales, bulk sales, conditional sales, mortgages, liens, negotiable instruments, frauds, bankruptcy, rights of corporations and a great variety of related subjects.

Many of the discussions have been rewritten for this year's issue of the book to meet changing legislation and practice. Among the new features are an analysis of the Revenue Act of 1924 dealing with the Income Tax and Stamp

(Continued on page 38)

Is It Embezzlement When Commissions are not Paid In?

By A. H. Harris

Counsel, Richmond Credit Interchange and Adjustment Bureau

THE attention of readers is directed to the qualification contained in the second paragraph of the accompanying article, that the law as stated is subject to the phrasing of the statute of the State in which the appropriation takes place. This qualification is important inasmuch as in some of the states the embezzlement or larceny statutes are frequently invoked to punish the misappropriation of funds collected on commission.—THE EDITOR.

IS the collector, either agent or attorney, guilty of embezzlement when he misappropriates funds collected on a commission basis?

In order to answer the question, a definition of embezzlement is necessary. Embezzlement is the (1) unlawful and (2) fraudulent, (3) appropriation (4) of personal property (5) of another (6) by one to whom it has been entrusted. This definition is general because embezzlement is purely a statutory crime, and although the statutes in the several states all trace their ancestry to the original English statute of the year 1799, the various legislatures have not been uniform in defining the crime, and this discussion must be taken subject to the phrasing of the statute of the State in which the appropriation takes place.

Examined in detail, the definition given requires the property misappropriated to belong to another. Here another question comes up. Is it necessary that all of the property misappropriated belong to another or may part belong to the collector and part to another? If the collector is employed on a percentage basis and is entitled to deduct fifteen dollars out of every hundred collected, and instead he appropriates, to his own use, the full hundred dollars collected, is he guilty of embezzlement?

The courts of many of the states have, with some uniformity, held that the collector is not guilty of embezzlement in such case. The decisions have been based on several grounds. One applies rules of ownership in common. Another hinges the decision on the attorney's lien, a third line distinguishes an attorney or collector from a servant, in jurisdictions where, following the old English statute closely, the embezzlement statute is primarily designed to protect the master from the depredations of his clerk or servant. Still another line of decisions holds that embezzlement can only occur in those cases where the person accused had no right to mix the funds of another with his own, and that in the case outlined, the funds of forwarder and collector are already mixed when they come into the latter's hands.

It seems to me that this last test is merely the application of an incident of an underlying rule.

Is There a Trust Relationship?

This rule, the basic criterion, is whether the relation of debtor and creditor, or a trust relationship, is established by the forwarding of a claim to, and its collection by, an attorney or collector on a percentage basis. If a true trust relationship is established, then the collector is under the duty to keep the fund collected, separate and apart from his own funds. He should not deposit it to his own personal account and thus mix trust funds with his own. But this is an impossible requirement since the funds are already mixed when they come to his hands. It thus seems clear that the relationship established, is rather that of debtor and creditor. The incidents of this relationship, if translated into the language of credits, make this clear.

When one forwards a claim for collection he debits the collector the amount of the claim, and on receipt of the collection less commissions, credits the collector. Who has been given credit? Clearly the collector, because the forwarder has trusted to the collector to remit collections less commissions when made. This being so the collector *owns* the total collection when made, and in turn *owes* the forwarder an amount determined by collections less commissions. Thus if the collector spends the entire sum collected, he is spending his own funds, not another's, and cannot be guilty of embezzlement.

Perhaps the distinction made seems highly artificial and technical, but if the statement of facts is slightly altered and the case of embezzlement made out, the contrast may make the distinction more clear. Assume that the forwarder stipulates that the collection when made must be remitted in full and undertakes to remit back commissions, on receipt of the collection. In such case the forwarder trusts not at all to the credit of the collector, he compels the collector to give him credit, to undertake the collection on the faith that the forwarder will remit back commissions on receipt of the collection. The collector, when he makes collection, owns not one penny of the fund collected and if he spends it for his own purposes he is spending the forwarder's money, and the other elements of the definition of embezzlement being present, he is guilty of the crime.

Because the relationship established between forwarder and collector is determined by the contract between them, it is suggested that the forwarding letter should be so phrased that the contract it offers is one under which a trust relationship is created and the forwarder thus afforded the persuasive force of the embezzlement statute toward a prompt remittance of the collection. It is suggested that the following be incorporated in the forwarding letter.

"It is expressly stipulated that the proceeds of the collection of this claim shall be promptly remitted to us in full, without deducting commissions, on receipt of which we will

promptly remit back to you commissions in accordance with rates above specified. Take no action on this claim until you acknowledge it and the acceptance of this stipulation."

Cases relating to this subject are: *U. S. vs. Mason*, 218 U. S. 517; *State vs. Kent*, 22 Minn. 41; *State vs. Collins*, 15 Del. (1 Marv.) 536; *State vs. Moyer*, 58 W. Va. 146; *Stone vs. Com.*, 104 Ky. 222; *Clarke vs. Com.*, 16 Ky. L. Rep. 704; *Com. vs. Libbey*, 11 Metc. (Mass.) 64; *People vs. O'Farrell*, 93 N. E. (Ill.) 136; *McElroy vs. People*, 202 Ill. 473; and *Com. vs. Smith*, 129 Mass. 104.

The Credit's Real Basis

By E. J. Carpenter

Fairbanks, Morse & Co., Baltimore, Md.

JOHN DOUGH started in the tire business in New York paying cash. After a few months he opened moderate accounts which he discounted each month, taking the 5 per cent. cash discount offered. Conservative buying and careful treatment of account's continued for more than a year with the result that practically all tire companies solicited his business. On the strength of favorable references and a discounting record, large lines of credit were extended.

Two and one-half years after the business opened Dough failed for \$100,000. The case aroused a lot of indignation. At an investigation Dough claimed he had lost money on the races—which was impossible to disprove. The creditors had more to charge to "Experience." Moral: Why extend credit because others—perhaps inadvisedly—have done so?

Every commercial death has its mourners. But there is no reason why we should constantly be among those present except that there is so much credit extended on references alone.

Practically all men engaged in business go along for a time paying promptly. It is when unexpected developments and reverses occur that bills cannot be paid. It is then that the credit grantor who has depended solely on recommendations from those whose bills have previously been paid promptly is apt to be left holding the bag.

I am often surprised to find how few are the men who, in making credit inquiries, ask the basis on which credit was extended by the party from whom they are seeking information. Yet this is essential in determining whether the granting of credit by another was actually justified by conditions, or the decision to credit was somewhat in the nature of a gamble which turned out favorably in the immediate case only to go wrong in the next transaction.

The precaution of learning the basis for the other man's decision will tend to bring to light anything that might show that the original credit grantor had some ample and adequate security when extending credit. Facts of this kind would not ordinarily be disclosed if the inquiry is answered by a clerk who gives only the data as shown in ledgers which might indicate that the buyer was a prompt payer and thus create the impression that the risk is desirable on an ordinary or unsecured basis.

It is often brought out that many undesirables maintain two or three good accounts for the purpose of obtaining credit from many other sources. Strangely enough, it is also true that credit men will

(Continued on page 32)

INDEX VISIBLE

THE GORHAM INTERESTS

THE GORHAM COMPANY
PROVIDENCE AND NEW YORK
WHITING MANUFACTURING COMPANY
BANGORPORT, OREGON

WILLIAM S. DORCH COMPANY
CORPORATED, NEW HAVEN, CONN.
THE WILLIAM S. KERR COMPANY
NEWARK, NEW JERSEY

PROVIDENCE, RHODE ISLAND.

Mr. Joseph C. Cutshaw,
315 Turks Head Building,
Providence, Rhode Island.

Dear Sir:

The Index Visible Credit Files recently installed at the Gorham Company and our three Affiliated Companies are proving to be entirely satisfactory, and letters received from all companies state they result in considerable saving of time, fewer errors, greater accessibility and furnish more information, than previous equipment.

While the files at the Gorham Company Providence are not yet complete, we feel confident they will prove to be a success from every angle. As you know, Index Visible files were purchased and made up to replace a file just completed with other equipment which equipment has been discarded in favor of the Index Visible, although the cost involved and the time that had been spent upon it represented a considerable outlay.

All who have seen the files have become enthusiastic over them and our entire Sales Department are anxious for the same equipment in their division.

We are particularly gratified to note the files are serving their purpose in a satisfactory manner with our Affiliated Companies as this feature is of considerable importance with us, and with the excellent service we have received from you, it is already felt that our investment is paying dividends beyond measure.

Yours very truly,

THE GORHAM COMPANY.

(A. A. Valenright)
Credit Manager.

AAP-JL

What Is Time Worth to You?

INDEX VISIBLE Card Record Systems save time. They also reduce clerk hire, prevent errors and improve service. All of which is another way of saying that they save money. These savings frequently pay for the whole cost of the equipment within a year—sometimes within six months.

The selection of INDEX VISIBLE for maintaining the credit records of the Gorham Interests is but one endorsement of its efficiency for leading manufacturers.

May we show you how INDEX VISIBLE can serve you in handling credits and other records?

INDEX VISIBLE, Inc.

Main Office and Factory,
New Haven, Conn.

Sales and Service Offices in Leading Cities
Canadian Factory: 38 Clifford St., Toronto



The Business Library

Revised List of 100 Books for Executives

Suggested by John Cotton Dana

Librarian, The Newark Public Library, New Jersey

THE list of 100 books suggested by John Cotton Dana, Librarian of the Newark, N. J., Public Library, which was printed in the October CREDIT MONTHLY was sent to members of the American Economic Association for their criticism. Fifty members of this Association responded with suggestions for a revision of this list. These members for the most part are actively engaged in the teaching of economics or business in American universities, or in economic research in business organizations. A revision of the original list accordingly was undertaken, after the following plan:— If 2 or more critics suggested the same book, it was included; and if 2 or more critics proposed rejecting a book, it was thrown out. Obviously, the new list will not satisfy any one of the critics entirely. But it certainly will be more satisfactory generally to them and thus to the readers at large. At any rate, it will have substituted for some books which are believed to be out of date or no longer standard in the field, some that are now being looked upon as authoritative by the teachers of economics and business.

Several critics offered the objection that the section on credit was too large. This objection is being met by reducing that section, and including supplementary books in a sub-section in deference to the needs of the readers of this magazine.

Two additional subjects have been covered, Pub-

lic Finance and Labor, by the inclusion of several books in each category. The books on Public Finance will be found under the captions ACCOUNTING, BANKING, FINANCE, and the books on Labor under BUSINESS AND INDUSTRIAL MANAGEMENT.

A detailed comparison of the two lists is hardly in place. The interested reader may make that for himself. It might be interesting, however, to illustrate some of the reasons for the rejection of certain books and the inclusion of certain others. Taussig's "Principles of Economics" was rejected by a considerable number of critics as being too heavy reading for the business man. Most of the critics proposed Ely instead. Dr. Friday's fascinating book on "Profits, Wages and Prices" was rejected as being no longer of current interest. Dr. Dewey's stimulating book on "How We Think" was rejected in favor of the new book "How to Think in Business" by McClure, which is frankly, as the author himself admits, an adaptation for business men of Dr. Dewey's book. Wesley Mitchell's fundamental book on "Business Cycles" was proposed for inclusion by several critics, but the proposal has been rejected on the grounds that the book is out of print and the new edition has not yet been announced for publication. Until the new edition appears, purchasers of books will have to turn to "Business Cycle and Unemployment" for information on the business cycle.

JOHN WHYTE.

Accounting, Banking, Finance			Financial Organization and Management			Work of the Stock Exchange		
A. B. C. of the Federal Reserve System			C. W. Gerstenberg	Prentice-Hall	5.00		J. C. Mesker	5.00
E. W. Kemmerer, Princeton Univ.	\$1.50		Financial Organization of Society					
Accounting: Theory and Practice 3v.	Ronald	12.00	H. G. Moulton	Univ. of Chicago	4.00	Advertising, Marketing, Selling		
Applied Business Finance	A. W. Shaw	4.00	Fundamentals of Accounting	Houghton Mifflin	3.50	Advertising: Its Principles and Practice		
E. E. Lincoln			Wm. M. Cole			Tipper, Hollingsworth, Hotchkiss		
Auditing: Theory and Practice 2v.	Ronald	10.00	Insurance, Principles and Practices	Prentice Hall	6.00	and Parsons	Rondid	\$5.00
R. H. Montgomery			Riegel and Loman			Advertising for the Retailer	Appleton	5.00
Banking Principles and Practice 5v.	Ronald	12.00	Investment Analysis	MacMillan	6.00	Advertising Handbook		
R. B. Westerfield			W. E. Lagerquist			S. R. Hall	McGraw	5.00
Budgetary Control	Ronald	4.25	Life Insurance	Appleton	2.75	Business of Railway Transportation		
J. O. McKinsey			S. S. Huebner			L. H. Haney	Ronald	4.00
Business Man and His Bank	McGraw	3.00	Money	Foster and Catchings	Houghton Mifflin	3.50	Elements of Marketing	
W. H. Kniffen			Readings in Money and Banking	MacMillan	3.00	P. T. Cherington	MacMillan	2.10
Controlling the Finances of a Business	Ronald	5.00	Principles of Accounting 2v.	Prentice-Hall	10.00	Export Merchandising		
J. O. McKinsey and S. P. Meech			H. A. Finney			W. F. Wyman	McGraw	4.00
Domestic and Foreign Exchange	MacMillan	4.50	Principles of Investment	A. W. Shaw	5.00	Income in the United States 2v.		
I. B. Cross			J. E. Kirshman			Staff of National Bureau	Vol. I	1.58
Essays in Taxation	MacMillan	4.00	Problems of Public Finance	T. Y. Crowell	3.00	of Economic Research	Vol. II	5.15
E. R. Seligman			J. P. Jensen			International Commercial Policies		
Financial and Operating Ratios in Management	Ronald	6.00	Property Insurance	Appleton	3.00	Fisk and Pierce	MacMillan	2.40
J. H. Bliss			Ss S. Huebner			Market Analysis, Its Principles and Methods	McGraw	3.50
Financial History of United States	Longmans	2.50	Selected Readings in Public Finance	Ginn & Co.	4.00	P. White		
D. R. Dewey			C. J. Bullock			Marketing Agricultural Products	Appleton	2.50
Financial Policy of Corporations	Ronald	12.00				B. H. Hibbard		
A. S. Dewing						Marketing of Farm Products	MacMillan	2.25
						L. D. H. Weld		

Marketing Methods and Policies P. D. Converse Prentice-Hall 4.00	Philosophy of Management O. Sheldon Isaac Pitman, London 3.00 7s. 6d.	Problem of Business Forecasting edited by W. M. Parsons, W. T. Foster, A. J. Hettinger, Jr. Houghton 4.00
Motor Transportation of Merchandise and Passengers P. White McGraw 4.00	Printing for the Business Man J. Thorp Hogg	Problems in Business Economics H. B. Vanderblue Shaw 5.00
Practical Exporting B. O. Hough Johnson Exp. Pub. Co. 6.00	Purchasing Principles and Practices J. C. Dinsmore Prentice-Hall 4.00	Credits
Principles of Advertising C. Starch A. W. Shaw 5.00	Risk and Risk Bearing C. O. Hardy Univ. of Chi. 4.50	Analytical Credits A. Wall Bobbs Merrill \$3.00
Principles of Foreign Trade C. E. Griffin MacMillan 3.00	Technique of Executive Control E. H. Schell McGraw 1.75	Banker's Credit Manual A. Wall Bobbs Merrill 4.00
Principles of Marketing F. E. Clark MacMillan 3.00	Waste in Industry Committee on Elimination of Waste in Industry of the Federated Engi- neering Societies McGraw 4.00	Banking and Credit Dewey and Shugrue Ronald 3.00
Principles of Merchandising M. T. Copeland A. W. Shaw 4.00	Business Correspondence	Commercial Paper W. H. Kniffin Bankers Pub. Co. 2.50
Principles of Railway Transportation E. Jones MacMillan 3.00	Advanced Business Correspondence Hotchkiss and Kilduff Harper \$2.75	Consolidated Statements for Holding Companies and Subsidiaries H. A. Finney Prentice-Hall 4.00
Principles of Salesmanship H. Whitehead Ronald 2.50	Handbook of Business Correspondence S. R. Hall McGraw 5.00	Credits and Collections T. N. Beckman McGraw 4.00
Railroads: Rates, Service, Management Vanderblue and Burgess MacMillan 4.50	Economics, General and Business	Credits and Collections Ettinger and Golieb Prentice-Hall 4.00
Retail Advertising and Selling S. R. Hall McGraw 5.00	Appraisal of Real Estate F. M. Babcock MacMillan \$3.50	Effective Collection Letters Tregoe-Whyte Prentice-Hall 4.00
Retail Handbook W. S. Hayward McGraw 5.00	Economic Development of the United States I. Lippincott Appleton 3.50	Export Credits and Collections G. C. Poole Prentice-Hall 4.00
Textbook of Salesmanship F. A. Russell McGraw 3.00	Economic History of the United States E. L. Bogart Longmans 2.00	Installment Sales and Collections B. W. Griffin Prentice-Hall 4.00
Business and Industrial Management	Economic History of the United States T. W. Van Metre Holt 3.25	Mechanism of Commercial Credits W. H. Steiner Appleton 3.00
Administration of Industrial Enterprises E. D. Jones Longmans \$2.35	Economics for the General Reader H. Clay MacMillan 2.50	Retail Charge Account F. W. Walter Ronald 3.00
Business Law 2v. T. Conyngton Ronald 2.00	History of Commerce C. Day Longmans 2.50	Supplementary List of Books on Credit
Chain Stores Hayward and White McGraw 3.50	Industrial and Commercial Geography J. R. Smith Holt 4.50	American Commercial Credits W. Ward Ronald \$2.50
Corporation Procedure T. Conyngton Ronald 10.00	Outlines of Economics R. T. Ely MacMillan 3.00	Bank Credit C. A. Phillips MacMillan 3.00
Employment, Hours, Earnings in prosperity and Depression W. I. King National Bureau of Economic Research 3.00	Purchasing Power of Money I. Fisher MacMillan 3.00	Bank Credit and Agriculture I. Wright McGraw
How to Think in Business M. T. McClure McGraw 2.00	Statistics, Business Research, Charts, Forecasting	Constructive Collecting R. J. Cassell Gregg Pub. Co. 5.00
Industrial Management R. H. Lansburgh J. Wiley & Sons 4.50	Business Cycles and Unemployment Report and recommendations of a committee of the President's Conference on Unemploy- ment including an investigation made under the auspices of the National Bureau of Economic Research \$4.10	False Financial Statements A. E. Fixel Matthew Bender & Co. 5.00
Influencing Men in Business W. D. Scott Ronald 2.00	Charts and Graphs K. G. Karsten Prentice Hall. 5.00	Financial Engineering O. B. Goldman J. Wiley & Sons 3.50
Management Through Accounts J. H. Bliss Ronald 6.00	Graphic Methods for Presenting Facts W. C. Brinton Engineering Mag. Co. 5.00	Financing Exports and Imports A. B. Cook Ronald 2.50
Management's Handbook Edited by L. P. Alford Ronald 7.50	Index Numbers of Wholesale Prices in the United States and Foreign Countries W. C. Mitchell U. S. Bureau of Labor Statistics Bulletin 284	Legal Aspects of Credit S. W. Brewster Ronald 5.00
Merchants' Manual Hahn and White McGraw 5.00	Introduction to Economic Statistics G. R. Davies Century 1.60	Mercantile Credits F. H. McAdow Ronald 2.00
Office Administration J. W. Schultze McGraw 3.50		New Collection Methods E. H. Gardner Ronald. 4.00
Personnel Management Scott and Clothier A. W. Shaw 4.00		Retail Credits and Collections D. E. Beebe

The following generously responded with criticisms of the original list:

PROF. J. P. ADAMS Brown University	MR. C. H. CRENNAN Continental & Commercial Nat'l Bank, Chicago	PROF. W. I. KING National Bureau of Economic Research
PROF. T. S. ADAMS Yale University	PROF. V. CUSTIS Northwestern University	PROF. G. B. ROORBACK Harvard University
PROF. E. E. AGGER Columbia University	PROF. D. H. DAVIS University of Minnesota	PROF. W. E. LAGERQUIST Northwestern University
PROF. T. N. BECKMAN Ohio State University	PROF. D. R. DEWEY Massachusetts Institute of Technology	MR. S. MCCLINTOCK Chicago
MR. D. R. BELCHER Chief, Statistician's Div., Am. Tel. & Tel.	PROF. F. H. DIXON Princeton University	PROF. R. C. MCCREA Columbia University
PROF. C. I. BENNER Institute of Economics, Washington, D. C.	PROF. C. W. DOTEN Harvard University	PROF. J. D. MAGEE New York University
PROF. W. A. BERRIDGE Brown University	PROF. L. E. DRURY Indiana University	PROF. W. C. MITCHELL Columbia University
PROF. R. M. BINDER New York University	MR. G. J. EBERLE, of Eberle & Riggelman Consulting Economists, Los Angeles	PROF. W. M. NOTZ Georgetown University
PROF. P. F. BRISSENDEN Columbia University	PROF. F. R. FAIRCHILD Yale University	PROF. F. B. ROBINSON College of the City of New York
PROF. R. G. BLAKEY University of Minnesota	PROF. J. A. FIELD University of Chicago	PROF. J. E. LE ROSSIGNOL University of Nebraska
PROF. R. H. BLANCHARD Columbia University	PROF. IRVING FISHER Yale University	PROF. W. C. SCHLUTER Wharton School of Finance
PROF. E. L. BOGART University of Illinois	PROF. J. A. FISHER Ohio State University	PROF. M. J. SHUGRUE Massachusetts Institute of Technology
PROF. F. A. BRADFORD University of Michigan	PROF. J. E. HAGERTY Ohio State University	PROF. R. S. TUCKER Department of Commerce
PROF. S. J. BRANDENBURG Clark University	PROF. B. H. HIBBARD University of Wisconsin	PROF. H. B. VANDERBLUE Harvard University
MR. P. T. CHERRINGTON J. W. Thompson Co.	PROF. J. T. HORNER Michigan Agricultural College	PROF. C. E. WEHRWEIN Institute for Research in Land Economics and Public Utilities
PROF. J. M. CLARK University of Chicago	PROF. J. P. JENSEN University of Kansas	PROF. L. D. WELD Swift & Company, Chicago
PROF. P. D. CONVERSE University of Illinois		

Service

700 Business men in St. Louis offer their aid and co-operation in the conservation of the assets of embarrassed debtors. These men have established a service that will reduce your bad debt waste in this territory.

This service provides for the investigation of slow accounts by an expert. It creates a channel of cooperation between creditors in estates not in court. It keeps effective the Creditors Control of estates in bankruptcy by the election of a representative of creditors as trustee. It reconstructs estates by aid and advice. These are but a few of the features of constructive credit aids available thru the

Adjustment Bureau of the St. Louis Association of Credit Men

ORVILLE LIVINGSTON, Sec'y.-Mgr.
510 LOCUST ST., St. Louis, Mo.

The Credit's Real Basis

(Continued from page 28)

often accept advice and recommendations from individuals or concerns whose own responsibility or standing is not good.

In my opinion while references given by a prospective customer cannot justly be ignored, *we make a great mistake in extending credit simply because some one else has seen fit to take a chance and has come through a few times without being burned.* It would be far better if the credit man should stand on his own legs and decide from facts and figures, which those asking credit should feel called upon to furnish, that the risk is reasonably safe. Here I want to insist that if credit grantors will take the trouble to do so, they can readily and logically convince customers that it is incumbent upon them to give vital information in requesting credit favors. In getting them to do so we not only help ourselves but take a step forward in the direction of educating small and inexperienced men in the way they should do business and what they must expect to do to bring about mutually satisfactory business relations.

This leads me to speak of the incalculable value of the "Trade Group" plan that we find in many local credit associations. The intimate relations established under the group method encourage the asking of questions and lead to the discovery of facts, which might otherwise not become known. A round-table discussion led by one credit grantor brings out facts and opinions of great value from others. Under the plan information from parties who have had unfavorable experiences and to whom prospects would not refer is brought out.

To avoid the danger of finding, too late, that we have simply duplicated another's error, it is desirable that an effort be made to get figures—using the statement form of the National Association of Credit Men because of its well-known advantages—and supplement this by getting unbiased and complete information from other credit grantors through local associations, trade group discussions or such other means as will establish in a definite way the customer's right to credit accommodation. References alone do not give a sufficiently solid basis for checking credits.

What's in a Name?

FAME is said to consist partly in having one's name misspelled in the obituaries. Executive Manager J. H. Tregoe of the National Association of Credit Men has achieved this mark of fame while still living. In recent correspondence his name has been spelled as follows:

Fregone, Fregue, Hrego, Dregoe, Treygo, Trogoe, Trigo, Trigoe, Trugoe, Tregorie, Trege, Grigoe, Crego, Tregoen, Trego, Tregoes, Tregore, and Tregar.

A Wise Act on the Part of Uncle Sam Suggests

A New Year Resolution

IN the not very dim past, whenever a foreign ship sailed in at the Golden Gate, she was met, they say, by the following officials:

- (a) Physicians of the Public Health Service.
- (b) Customs Officials.
- (c) Immigration Officials.
- (d) State Horticultural Inspectors.

No citizen could object to this comprehensive committee of representatives of the Government. There was a catch in it, however, because each of these groups of official gentlemen approaching the incoming ship, was transported by a *separate tug*. On a beautiful sunlit day this must have made a pleasant yachting party and a good time was no doubt had by all.

Yet a tax payer, equipped with a spy glass and stationed on the top of Mount Tamalpais might not have enjoyed the sight to any great extent if he knew that the greater part of the expense was unnecessary and that he was paying the bills.

A former official of the Federal Government noted one day this costly lack of co-operation. Being out of office, he undertook to agitate against it. The result was that the basic principle upon which the National Association of Credit Men is founded—namely Co-operation,—was brought into play by Uncle Sam. Nowadays the Public Health doctors go out in one boat to inspect the incoming vessel, and when they have permitted the vessel to strike her yellow quarantine flag *the other three classes of officials arrive upon the scene in one United States Revenue Cutter.* Thus we see that, whereas a fleet of four was once considered necessary, by practising Co-operation only two tugs are now needed.

What better New Year resolution could credit executives make than to follow the example of Uncle Sam in this case and resolve to cut their credit department costs in two during the year 1925!

R. G.

Over 50% of Premium Cost Saved by One Service!

Absolute protection of the book accounts of Manufacturers and Jobbers is the fundamental value in Credit Insurance. But that is only one of many benefits that accrue with every bond of

American Credit Insurance

For instance, read what Davis Brothers Cheese Co., Plymouth, Wis., say:

"We feel that over 50% of the cost of the premium on our policy has been saved through your collection department on the ten day free service clause, and on other expenses which we have not had to incur, because of your policy."

Credit Men

If *your* department is not already saving and profiting by the American's broad service, why not write us today and ask us to submit you the full facts and figures?

**The AMERICAN
CREDIT-INDEMNITY Co.**
OF NEW YORK J. F. McFADDEN, PRESIDENT

Offices in all Leading Cities

New York, St. Louis, Chicago, Cleveland, Boston,
San Francisco, Philadelphia, Baltimore, Detroit, etc.

GF Allsteel
The Complete Line of Office Equipment

Allsteel Desks

Appearance — Rich, baked-on enamel, olive green or mahogany. Bronze trimmed. Wear-resisting, stain-proof, dark green linoleum top.

Utility — Drawers operate smoothly—noiselessly. Files of all sizes may be fitted in drawers. Automatic central lock.

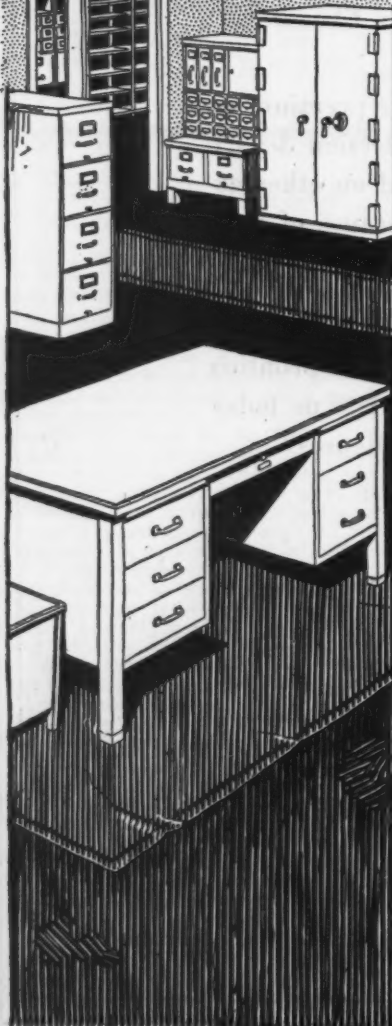
Long Life — Durable construction. No warping, marring or checking. No sticking of drawers.

Complete Line — Roll-top—flat top—typewriter—single or double pedestal—table.

Reasonable Price — Prices no higher than for medium grade wooden desks.

Shelving, Files, Desks, Transfer Cases, Safes, Counter-heights, Sectional Cases, Accessories and Supplies.

The General Fireproofing Co.
YOUNGSTOWN, OHIO
Dealers Everywhere



Pay Salesman as Collectors

Instead of Paying on Basis of Sales

By A. A. Grainger

C. H. Grashof Co., Rochester

PERHAPS the greatest problem that confronts the manufacturer and wholesaler today is how to get increased efficiency from his sales force. Sales expense has become a serious burden in these days when small profits make imperative an increased volume and decreased credit losses, if the business is to prosper. Some of the causes for this increased selling expense are:

- (1) Labor turnover or the constant changing of representatives.
- (2) The increasing number of men who want white collar jobs and think they are salesmen.
- (3) The general disposition on the part of merchants to buy more frequently in smaller quantities together with the increased number of dealers in most lines of business—all of which entails additional service.

Many firms have resorted to paying their salesmen a commission on sales. But this policy has often resulted in severe credit losses, because the salesman usually tries to place the whole responsibility on the credit department. It has been generally conceded that the sales and credit departments of any business must function in harmony on a fifty-fifty basis if the best results are to be obtained. The salesman must therefore be as good a collector as he is a salesman, otherwise he is not the best type of representative for the house that sells merchandise on a credit basis and depends on re-orders.

Paying on Collections

As a remedy, I suggest that salesmen's commissions be paid on their collections instead of sales. I have used this method with some of our salesmen who were poor collectors and the results have been highly satisfactory,—particularly as sales in our line usually increase in proportion to increased collections.

Many merchants have two or more lines to sell, and for this reason find it difficult to pay their salesmen on collections rather than sales, because one line is usually profitable and will stand a better percentage of commission than some other which may be less profitable. We have found it advantageous to divide our business into two departments and indicate on the debit side of our customer's ledger exactly the profitableness of each purchase. This clearly shows each customer's value from a profit standpoint and

is valuable information to have if the customer should ask for extensions. If this method is adopted it is a simple matter to divide the collection sheet in a similar way thereby showing a collection of say \$100 as follows:

	Less		
Profitable	Profitable	Folio	Total
\$50.00	\$50.00		

If the customer should not pay the total invoice but should make a payment on account, the salesman should receive no credit for the collection until the invoice is paid in full. Where the line is more varied and commissions are paid in proportion to each sale, I suggest that an extra copy of each invoice be kept on file in the office and that at the end of each week those that have been paid be picked out and the commissions computed accordingly.

Varying Expenses

We have found it a good plan to allow salesmen an arbitrary amount for expenses depending on the territory which is to be covered. If it is new territory that is being opened, it might be advisable in certain lines to pay a nominal salary for a short period in addition to commissions in order to be strictly fair to the representative.

Experience has taught me that the constant changing of representatives is the greatest item of selling expense and must be avoided as far as possible. The plan of the payment of salesmen through commissions on collections is so elastic that it can be tried out on one or more salesmen. It should therefore commend itself to those executives who are suffering from excessive selling costs or the many evils that usually ensue when salesmen are paid commission on sales.

An incident that relates to this subject recently came to my attention. A salesman representing a large importer of matches sold John Doe 1,000 cases of matches, to be withdrawn as required, Doe to have the privilege of cancelling any portion of the order at any time. After receiving 500 cases Doe wrote the importer to cancel the balance of shipments. The importer answered that he could not cancel as he had paid the salesman commission on the entire sale. Doe immediately produced the salesman's copy of order with privilege to cancel and the importer is still out the commission paid on the unfilled portion of the order.

This of course is only one of the many evils of paying commission on sales policy and the whole subject is so intensely interesting that I would welcome any suggestions or criticisms through the CREDIT MONTHLY. When all is said and done the sales problem is so closely linked up with the Credit Department that the elimination of part or all unnecessary expense is just as important to our own credit standing as is the effort we make to build up the credit of our delinquent creditors.

HAVE YOU A MAY ISSUE?

ANY READER OF THE CREDIT MONTHLY WHO HAS A COPY OF THE MAY 1924 ISSUE WHICH HE DOES NOT NEED IN HIS FILES, WILL CONFER A GREAT FAVOR BY SENDING IT TO THE EDITOR, 41 PARK ROW, NEW YORK, N. Y.

Checks Marked "In Full of Account"

WHEN a check, given in payment of an account, is marked "in full of account," but does not as a matter of fact pay the entire account, is the check payment in full, and is the payee who holds the check estopped from moving for the uncovered balance? The general rule, as set forth in the 1925 edition of the "Credit Man's Diary and Manual of Commercial Laws," is as follows: If the claim is liquidated and there is absolutely no question as to the amount due, a check for a lesser amount than the claim, (even though marked "In full of account,") does not settle the amount and the creditor may keep the check and sue for the balance. If, however, there is a dispute as to the amount of the claim, and the claim is not liquidated, a check sent "in full of account" is payment in full and the creditor must either return the check and sue for the amount claimed by him, or accept the check in full payment.

In some instances, however, the courts have held that, where a creditor gave a release under seal, the acceptance of a smaller amount than the amount due, even in a liquidated claim, releases the debt. The rule that payment of a lesser amount than the amount due in a liquidated debt is not payment in full has been changed in some states by statute, among them, Alabama, California, Georgia and Virginia.

After the Discount Period

This brings inquiry in regard to checks that are sent in after the discount period is passed, with the discount deducted, such checks being marked "in full of account." Can such checks be properly deposited and claim made for cash discount? The answer is that they obviously fall under the above-mentioned rule, and claim can be made for the cash discount so deducted in cases where there is no dispute as to the terms. The practical effect of the matter is, however, that each single transaction represents, in most instances of this character a comparatively small sum, for which it would be impractical either on account of expense or distance, to sue, and the chances are that a debtor accustomed to stealing discounts would be even less likely to pay such discount after he had in his possession a cancelled check voucher marked "in full of account."

By Section 859, Revisal of 1905, in North Carolina, an agreement made and accepted for a lesser amount in payment of a greater amount discharges the debtor, so that if a debtor sends a check in full of account and the check is for a smaller amount than the amount due, the acceptance of the check by the creditor discharges the debt; and this is so in North Carolina whether the amount of the debt is liquidated or unliquidated. *Petit vs. Woodlief*, 115 N. C., 120.

The above facts are set out in the 1925 edition of the "Credit Man's Diary and Manual of Commercial Laws."

W. R. M.

THE CHOICE OF AMERICAN BUSINESS



No blind alleys in this ledger

*direct, well-marked routes to each account
save as much as 50% in bookkeeping time*

NO longer is it necessary for bookkeepers to grope through ponderous ledgers. No longer do they have to flop and reflop endless pages. No longer need rumpled sheets hinder their seeking fingers.

For, with the L. B. Card ledger, the bookkeeper's hand darts directly to the account card desired.

The L. B. Card ledger is *vertically* arranged. All guide tabs are clear and visible—a well-marked highway to every account. The bookkeeper can locate, post to, and replace an account in the time it took just to locate the name in an old-style ledger.

This saving in time is so marked, that

L. B. Card ledgers save 10%, 30%, even 50% of the bookkeeping time formerly required.

Business has been quick to realize the savings the L. B. Card ledger affords. Already tens of thousands of business firms and banks, in adopting it, have effected definite bookkeeping economies.

If your bookkeepers are still groping through old-style ledgers there is time-waste in your office. Write for interesting, free booklet No. 711 "L. B. Card ledgers" which explains the L. B. Card ledger in detail.

Or ask for actual demonstration at one of our convenient salesrooms. Consult your phone book.

Six Big Divisions of L. B. Service to Business

1. **Card Record Systems**
Standard and visible systems for every card record requirement.
2. **Filing Systems**
L. B. Automatic, Index, Alphabetic, Geographic, Numeric, Subject, and the Russell Index.
3. **Equipment, wood and steel**
Card and Filing cabinets, card record desks and record safes.
4. **Cards and Filing Supplies**
Cards, Guides, and Folders for every card and filing system.
5. **Specialized Departments**
Bank, Insurance, Public Records, Library and Educational.
6. **Special Services**
Analysis, Indexing, Statistical.

Home Office: 230 Albany St., Cambridge, Mass. Salesrooms: 52 principal cities of United States, France, and England. Factories: Cambridge, New York, Chicago, Ill., N. Y., New Orleans and London, Eng.

Library Bureau

Card Ledgers for Every Business

Court Decisions

Of Special Interest to Credit Men

THE CREDIT MONTHLY presents various recent decisions, Federal and State, that relate to the granting of credit. Among the most important is one handed down by the U. S. Supreme Court and summarized as follows:

"Continuing Statements"

The decision of the U. S. Supreme Court in the case of *Gerdes, Trustee, vs. Abraham Lustgarten*, handed down Nov. 24, 1924, is of special interest. The effect of the decision will be to strengthen materially the position of the recipient of a so-called "continuing statement."

An involuntary petition in bankruptcy was filed against Lustgarten, and in due course of proceedings he applied for a discharge. Among the grounds of opposition filed to the discharge was a specification to the effect that from the Corn Exchange Bank he had obtained credit upon a false statement in writing.

The evidence produced on the hearing in support of this specification was to the effect that on January 6, 1920, Lustgarten gave the bank a signed statement setting forth his financial condition on December 15, 1919, and showing a net worth of \$58,000. The statement recited that it was made "for the purpose of obtaining loans" and stated that: "This statement is to be regarded by Abraham Lustgarten and by the Corn Exchange Bank as continuous and binding, and to form a true statement as to the assets and liabilities of the undersigned, and other matters, to be relied upon by the Corn Exchange Bank, upon application of the undersigned, for all loans until another statement in writing shall be substituted for this, or this statement recalled. . . . And, further, whenever my financial condition is changed materially from the financial condition shown in the above statement, I agree to notify the said Bank at once of such change, whether applications for further loans are made or not."

In October and November, 1920, and in February, 1921, the Bank, on Lustgarten's application, made him three loans aggregating \$11,000. He had given the Bank no notification of change of financial condition; and there was no evidence that it had in fact substantially changed.

The Circuit Court of Appeals for the Second Circuit had held that the Bank was not justified in relying upon the statement because of the change in financial conditions generally between the date of the statement and the date of the loans, and because of the lapse of time.

The Supreme Court handed down a decision by Justice Sanford and pointed out that the decision of the Circuit Court of Appeals of the Second Circuit is in conflict with the cases of *Ragan vs. Cotton*, 200 Fed. 546, and *Haimowich vs. Mandel*, 243 Fed. 338, and decided by the Circuit Court of Appeals of the Fifth and Third Circuits respectively. In both of these cases the Circuit Courts had held that although credit was extended upon a false financial statement in the first case, nine to twelve months after the statement was made, and in the latter case

seven months after the statement was made, discharge should be denied.

In the Haimowich case the Court had said:

"The test whether a false statement given upon one date and acted upon at a later date, operates as a bar to a discharge, is whether at that time the false statement was still in force and binding upon the bankrupt, to be determined according as it is found that the sale on credit was or was not the proximate result of the statement. . . . and that its original falsity was or was not the thing that marked the mischief."

After quoting the foregoing cases, the Supreme Court said:

"We think that these two cases embody, in substance, the rule that should be here applied. . . . The vice inherent in the original falsity of the statement is not remedied by the lapse of time; and if the creditor extends credit upon such a false statement while it is still in force and binding upon the bankrupt, within the time in which he intended, it should serve that end, it does not lie in his mouth to say that by reason of extrinsic circumstances the creditor was not justified in relying upon it. . . . Lustgarten applied for the loans in question without either changing or recalling the statement, and it is entirely clear, that the loans were made while the statement was still binding upon him and serving the statement was materially false and both by its plain and unambiguous provisions and by his own conduct in pursuance thereof. . . . If it be determined that the financial statement was materially false and that the Bank made loans in reliance upon it, the discharge should be denied; otherwise, it should be granted."

Officers Liable

Corporation's Officers liable for its debts on failure to file annual report. Supreme Court of Arkansas, 263 Southwestern 966. *Interstate Jobbing Co. vs. Velvin et al.* The plaintiff sold to the Farmers Mercantile Company, a plaintiff, in that the plaintiff had falsely domestic corporation, merchandise to the amount of \$2,882.70. Payments on the account were made to the amount of \$2,423.25. In 1921, goods were furnished to the extent of \$493.40 and of the amount paid \$350 was paid by the Farmers Mercantile Co. during the same year. Subsequently the company was adjudicated a bankrupt and a dividend of \$51.05 paid to the plaintiff.

E. D. Velvin was president of the Farmers Mercantile Co. and R. L. Byers was secretary during the year of 1921. No report was filed by either for the year 1920 as required by the Arkansas law. No report was filed for the period from Jan. 1 to Dec. 1, 1921. The Arkansas law provides that "should the president and secretary neglect or fail, whether intentionally or not, to file the said report, then by such failure the said president and secretary become jointly and severally liable for all debts contracted by the corporation after the date of the failure to file such annual report."

The court held in this case that the president and secretary were personally liable for the debts of the corporation, contracted during the period of default.

The court also held that they were liable for the debts of the corporation during that year and their liability was not reduced by payments on merchandise account during the year, which the creditor rightfully applied to earlier items.

Tax on Salesmen

Power of municipality to impose license tax on solicitors representing manufacturers in other states. U. S. District Court, Western District of Washington, Northern Division, *Real Silk Hosiery Mills vs. City of Bellingham*. The plaintiff, an Illinois corporation, had its principal place of business in Indianapolis, Indiana, where its goods were manufactured and prepared for shipment. The plaintiff sold its manufactured products in various states and for such purpose employed solicitors. When a solicitor made a sale he took a small cash payment with the order, retained the cash payment as his compensation and forwarded the order to plaintiff's home office. One of plaintiff's solicitors in Bellingham had been arrested and further arrests were threatened, pursuant to the provisions of an ordinance which required a solicitor to pay a license fee of \$5 per day. Plaintiff claimed such ordinance was in violation of Article 14, Section 8 of the Constitution of the United States, and imposed a burden on interstate commerce, that it was unreasonable and prohibitory and deprived plaintiff of property without due process of law.

The court held that the sale by the solicitors was a service separate and distinct from that of the plaintiff corporation, the plaintiff having no interest in the advance payment. However, the license fee of \$5 a day plainly indicated that the purpose of the ordinance was to protect local trade from competition instead of fixing a reasonable fee and conditions upon which a license would be granted so as to safeguard the public and therefore was an arbitrary interference with plaintiff's rights as granted by the Constitution.

Principal and Agent

Chattel Mortgage—Failure to Record. Rights of Subsequent Purchasers. Supreme Court, State of Washington, decided Sept. 20, 1924. *Lowman vs. Guie, Receiver, etc.* One Davis, being the owner of certain linotype machines and being indebted to one Lowman, executed and delivered to him a chattel mortgage upon the machines to secure the indebtedness; but the chattel mortgage was not filed for record within the time required by statute. Thereafter, Davis sold the machines to a company, in consideration of a number of shares of stock for which he had subscribed. There was no proof that the officers of the company had any knowledge of the existence of the mortgage to Lowman, other than the knowledge which Davis himself possessed, he being a trustee of the company.

Counsel for Lowman contended that knowledge of Davis was knowledge of the company because he was a trustee,

and since the company took with notice, said Lowman was entitled to foreclose on the machines which now had come into the hands of the receiver of the aforesaid company. The court held that Lowman is not entitled to foreclosure. The company took without notice and since Lowman failed to record the chattel mortgage according to statute it is void as against the company. The interest of Davis in the subject matter of the transaction was adverse to that of the company and under the circumstances, there is no presumption that he performed the duty of agent and informed the company that he had mortgaged the machines to Lowman.

Negotiable Instruments

Promissory Notes—Liability of one Whose Endorsement is obtained by Fraud. Supreme Court of Oregon, Decided September 30, 1924. *First National Bank vs. Helmholtz*. The plaintiff sought to hold the defendant liable upon a promissory note as an indorser. The defendant answered that his endorsement of the note was obtained by the fraud of the plaintiff, in that the plaintiff had falsely represented to the defendant that the note had been secured by a chattel mortgage, which chattel mortgage was in the possession of the plaintiff; and that the defendant, relying on that statement, endorsed the note. The plaintiff objected to the trial court's instruction to the effect that the rule that a written contract can no be contradicted or varied by parol evidence did not apply to this case, since the defendant's answer did not contradict the terms of the note, but alleged fraud on the part of the plaintiff as a defense. The Court held that the trial court's instruction was correct. Fraud is a defense to any action founded upon a contract. The legal effect of an obligation secured by fraud is no obligation.

Altered Checks

Altered Check in the hands of holder in due course. Supreme Court of Idaho, decided Oct. 7, 1924. *Wade Bros. vs. Bybee*. This was an action to recover the amount of a check payable to cash, in the sum of \$60, and delivered to one Kelly Hargrove. On the day after delivery, Hargrove presented the check to the bank on which it was drawn, but payment was refused and there was written on the face of the check the words, "Payment stopped," the defendant having notified the bank not to pay the check. The check was returned to Hargrove, who, on the same day, gave the check in payment for an overcoat and received the difference between the face of the check and the price of the coat in cash. It appeared, that prior to negotiating the check to the plaintiff, the words "payment stopped" had been in some manner entirely removed from the check, so that when the plaintiff received the check he noticed no indication of alteration or erasure. On the following day the plaintiff presented the check to the bank on which it was drawn and payment was refused. The court held that defendant was liable on the check; that the plaintiff was a holder in due course and that it was not necessary to determine whether the erasure constituted a material alteration of the instrument, in view of that section of the Negotiable Instrument Law, which provides that when an instrument has been materially altered and is in the hands of a holder in due course not a party to the alteration, he may enforce payment thereof according to its original tenor.

Bulk Sales

Liability of Successive Vendee's stock of goods, purchased in disregard of the Bulk Sales Law. Supreme Court of Kansas, 227 Pacific 528, *Burns vs. Vance et al.* T. P. Burns and H. J. Hutchinson were partners conducting a general merchandise store. On Jan. 15, 1920, they sold the stock of goods to T. Vance for \$1,000 cash and notes aggregating \$4,750. About Feb. 15, 1920, Vance sold \$200 worth of the merchandise. On March 1, he sold the remainder of the stock to one of the defendants, C. H. Tunget. No attempt was made by either party to comply with the Bulk Sales Law. In Feb., 1921, Tunget sold what was left of the stock of \$1,270. These two parties did not comply with the requirements of the Bulk Sales Law. This action was brought by the original owner of the business, inasmuch as part of the note, covering the sale price, had not been paid. The court confirmed its decisions in previous cases outlining the general effect of the Bulk Sales Law, that "the sales having been made in bulk, with entire disregard of the statute, the vendee in possession may be sued by a judgment creditor to subject the property to the payment of his claim and such creditor is not restricted to the remedies of attachment, garnishment or levy of execution."

The defendants contended that the merchandise had passed out of their possession and they were not liable. The court held, "where merchandise has been sold in bulk without regard to the requirements of the statute, the sale is void and the purchaser is personally liable in the event that the goods themselves can not be recovered." . . . Successive vendees who purchased a stock of goods with disregard of the Bulk Sales Law and who have placed the goods beyond recovery are liable, in turn, to antecedent owner of the goods and creditors of their vendee, for the value of the goods, which came into the possession respectively of each of them."

THE BULK SALES LAW OF TENNESSEE—*Keller vs. Fowler Bros. & Cox*. Rogers & Co. was a corporation engaged in the grocery business. It operated a system of chain stores in Tennessee. It had a warehouse in Knoxville which served as a depot where a large stock was assembled and from which the wants of the retail stores were supplied. Fowler

Bros. & Cox bought the stock of goods in this warehouse. The court held that such a transaction fell within the prohibition of the Bulk Sales Law and that it was a sale otherwise than in the ordinary course of trade. The trial also developed that it was the custom of Rogers & Co. when a particular store that it was operating proved unprofitable to sell it out. It was held also by the court that the Trustee was entitled to recover from the vendee a sum equivalent to the security of which the creditors were deprived by the transfer of the stock of goods, that is, the real value of the stock.

(Continued on page 38, column 2)

Mr. Credit Man!

What would you have answered when the Clerk asked the Employer "as to whether you can be successful in business and also be thoroughly honest?"

The right answer is in

THE BOOK OF BUSINESS STANDARDS

200 pages

A clear, non-technical book on the rules of the game of business for every Credit Man.

Order through N. A. C. M.
at Association price.

\$1.50 post paid

LYBRAND, ROSS BROS. & MONTGOMERY

Accountants and Auditors

110 William Street, New York

announce the completion of arrangements for the opening of offices in Central Europe. The main office will be in

Berlin, Germany

with Mr. E. Elmer Staub, C. P. A. (Pa.) as
Resident Partner.

Offices

New York	Philadelphia	Los Angeles
Chicago	Boston	Oakland
Detroit	Pittsburgh	Washington
Cleveland	Cincinnati	Seattle
San Francisco	Baltimore	

Foreign Offices and Agencies

Berlin, Germany
London, England
Paris, France

November 20, 1924

What Books Have Helped You?

(Continued from page 27)

Taxes; a study of legal forms, statements, etc.; and a treatise on the Proof of Commercial Crimes.

The outstanding new feature of the book is the Reader's Guide, an insert on tinted paper which explains in detail the procedure from beginning to end of a credit transaction, with appropriate references to the text.

The reader will find the 1925 Diary and Manual large and more comprehensive than its fourteen annual predecessors. A complete index is an aid in locating all information given on the subject in mind. More than a mere compilation of laws, it analyzes and explains them from the viewpoint of the everyday business man. It should be of valuable assistance not only to credit managers but to other business executives.

International

INTERNATIONAL TRADE FINANCE—George W. Edwards, Ph.D. Henry Holt & Co., N. Y. 1924. 495 pp. \$4.50.

The author has succeeded in handling lucidly the very complicated subject of International Finance. He begins by covering briefly the history and theory of international commerce and follows in succeeding chapters with general aspects and intimate details of international financing.

The book is generously interspersed with vital statistics and facsimile forms

Keep your finger on the pulse of your business through graphic statistics.



This practical book tells you how to make charts and how to use them.

Smith's Graphic Statistics in Management

360 pages, 6x9; 241 illustrations; \$4.00 net, postpaid.

Read any chapter of this book and it will give you a whole group of ideas for securing better executive control, for enabling you to formulate more surely future policies, for making effective analyses of your credit and collection, advertising and sales activities, etc.

This book is a complete and thorough, yet simple and clear explanation of the whole subject of the effective use of statistics in business management.

It emphasizes the fact that graphic statistics form a management tool of the greatest practical value in keeping in close touch with every phase of your business activities. It shows how others are using graphic statistics to good advantage in various departments of management.

See this valuable book for ten days FREE

FREE EXAMINATION COUPON
McGraw-Hill Book Co., Inc.
370 SEVENTH AVENUE, NEW YORK
You may send me for ten days' free examination Smith's Graphic Statistics in Management, \$4.00. I agree to remit for the book or to return it, postpaid, within 10 days of receipt.
Company.....
Name.....
Address.....
Position.....
C.M.1-1-25

which are valuable in illustrating explanatory matter.

The subject of Foreign Exchange, which is one little understood except by the expert, is covered simply and thoroughly and the chapters on this are particularly commendatory.

International banking is discussed at length, also mercantile financing, both of which subjects are linked in their logical relation.

A particularly interesting feature of the book, as relating to the credit man, is the chapter on Foreign Credit Insurance and Credit Information, as well as the paragraphs on documentary procedure. The descriptions of foreign commercial and banking practice are the outcome of firsthand research on the part of the author. Theory and practice, like oil and water, are supposed not to mix, but the author insofar as theory and practice are concerned, has succeeded in mixing them with more than fair success.

Court Decisions

(Continued from page 37)

The price agreed to be paid by the vendee cannot be used as a measure of the creditor's recovery.

MICHIGAN BULK SALES ACT—*Michigan Central Ry. Co., vs. Morgan and others.* The Morgan Wright Coal Co., the principal defendant, were engaged in the retail coal business in Detroit. They were indebted to certain creditors in sums aggregating \$20,000. An agreement was entered between the defendant and the principal creditors wherein the defendant agreed to transfer by bill of sale to these creditors the coal levied upon and certain accounts receivable in full settlement of these claims. Additional consideration was agreed upon. The bill of sale was duly executed and delivered and possession of the coal and other assets by the creditors was taken. The court held that the definition of a sale defined by the Uniform Sales Act as "a sale of goods is an agreement whereby the seller transfers the property in goods to the buyer for a consideration called the price,"

clearly applied to the transaction in this case. It also held that the transfer was not an assignment for the benefit of the creditors generally, but that it was accepted in full satisfaction of the indebtedness due certain creditors and that this did not relieve the parties from a compliance with the provisions of the Bulk Sales Law. The court also held that a chattel mortgage is not a sale within the meaning of the Act.

Bad Checks

KENTUCKY BAD CHECK ACT—*Commonwealth vs. King.* P. J. King was convicted under the provisions of Section 1213-a of the Kentucky Statute of the crime of uttering a "cold check." He purchased an automobile of one J. N. Holbrook and gave in payment two checks, one for \$200 and the other \$500. Holbrook undertook to collect the \$200 check and it was dishonored, but later paid. He held the \$500 check for two or three months and when presented it was also dishonored. Testimony was introduced at the trial in the lower court to show that there had been an understanding that the \$500 check would be held for twenty to thirty days before presentation to the bank. The Court of Appeals of Kentucky held that "Where the Statute makes the uttering or delivering of an instrument such as this in the manner therein enumerated prima facie evidence of the intent to defraud, this is prima facie evidence only and may be rebutted by the facts and circumstances of the case." The words "in the manner therein enumerated" refer to the Bad Check Law of Kentucky. The court further held that if a person exchanging money or property therefor is informed before he makes such exchange that such funds are not on hand to meet the check and accepts it under a promise to hold it, to enable the maker to procure funds to meet it, this is but the creation of a debt and the making or uttering of a check in evidence thereof is not to be distinguished from the execution of a promissory note. The Court of Appeals reversed the judgment of the lower court and remanded the cause for rehearing consistent with this opinion.

Great American Insurance Company New York

Choose
Your
Company

INCORPORATED - 1872

Choose
Your
Company

CAPITAL

\$12,500,000

LOSSES PAID POLICY HOLDERS

\$154,469,515.82

FIRE, MARINE AND KINDRED INSURANCE

**HOME OFFICE, ONE LIBERTY STREET
NEW YORK CITY**

AGENCIES THROUGHOUT THE UNITED STATES AND CANADA



The Answer is in the Diary ALWAYS AT YOUR RIGHT HAND

EDITION FOR

1925

THE Diary and Manual of Commercial Laws is brought to date each year with important new details, and offers to the Credit Man a source of information on all points of a credit transaction from the incipency of the order to the closing of the account.

IGNORANCE of the legal aspects of credit extension fills the courts with many unnecessary cases and makes constant communication over minor details a burden and annoyance to both attorney and Credit Man.

The credit executive who has once been helped out of a difficulty through its use soon becomes the friend and constant user of the Manual. Citing the latest laws in the various states bearing upon the question at hand and interpreting them, it offers the best solution to the obstacles encountered.

Unlike other channels to the law this volume presents facts in the language of the layman. Superfluous detail is omitted in the clear analysis made by Credit Men from the Credit Man's point of view.

Nat'l
Assn. of
Credit Men,
41 Park Row,
New York City

Gentlemen:

Please send.....
copies of the Diary and
Manual at \$4.00 per copy to:

M.....

The Credit Man
cannot be expect-
ed to memo-
rize all the
important

aspects of the law, yet he must be familiar with and have easy access to information on such topics as: Sales, Contracts & Cancellations, Guaranties, Exemptions, Foreign Corporations, Chattel Mortgages, Consignments, Negotiable Instruments, Acceptances, Liens, Trusts & Combinations, Liability, Bankruptcy, Assignments, Bulk Sales, Bad Check Laws, Attachments, Interest, False Statements, Fraud, Claims, Income & Stamp Tax, and numerous others.

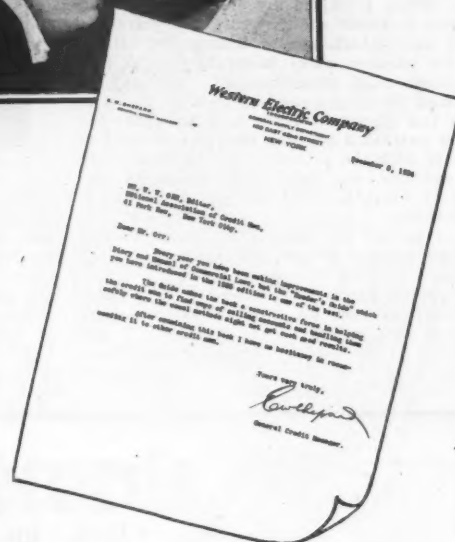
Tables in connection with the various laws and discussions render the information more comprehensive, and important court decisions bearing on the various factors make it of real value in handling difficult situations.

The latest and most striking and useful of the many improvements in the 1925 issue is the **READER'S GUIDE** which points out all aspects necessary of consideration from the beginning to the end of a credit transaction.

The price is \$4.00, delivered, and if you so desire the book will be sent you on five days' approval.

Sign the attached coupon and mail today. Edition Limited.

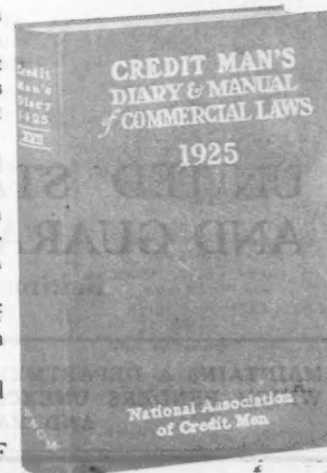
NATIONAL ASSOCIATION OF
CREDIT MEN
41 Park Row, New York, N. Y.



WHEN IN DOUBT

Turn to the
READER'S GUIDE

Colored insert
at back of book



Actual size is 5 3/4 x 8 3/4

Asked Bank for \$3,000 Got \$5,000 and Saved His Business

By Hon. Samuel Lewis ("Lew") Shank

Mayor of Indianapolis

FOR several years I have realized that the credit men who pass on credits for banks and other large business enterprises seem to be the one great asset of American commercial salvation. They have it in their power to either break or make the small business man.

Shank As a Borrower

When I started my storage and furniture business about twenty-five years ago I was unfortunate in having the bank I did business with change hands. A new credit man was installed. Owing the bank three thousand dollars, I went in, a few days before the note was due, for an extension of time and was advised to talk with the president of the bank. He informed me that every dollar of the note must be paid on the date that it fell due.

I started out looking for another bank to take care of my indebtedness. After three or four turn-downs, I went to the Peoples' State Bank where Felix T. McWhirter, now deceased, was president and also passed on all credits. I informed him of my financial difficulties and asked him for a loan of three thou-



MAYOR SHANK

sand dollars. He advised me to show him all my books and accounts of what my business was bringing in. A few days later I called on Mr. McWhirter, and he told me that he could not advance me three thousand dollars as it would leave me in as bad a financial shape as I was before, but he would let me have five thousand dollars if I would pay him

one hundred dollars per week. After looking over my business he believed that I could pay him the one hundred per week. He was right, I could and did.

That loan paid me back what I owed the bank and also all my bills. At the end of the year I was in debt about thirty-two hundred dollars on open accounts. Mr. McWhirter again loaned me thirty-two hundred dollars. When I paid this back I was practically out of debt. If it had not been for Mr. McWhirter I would have been bankrupt and out of business.

Farmers Need Credit Men

Now, as to the farmers: I believe that they could be induced to run their farms the same as a business man does his business. A farmer should take a correct invoice of his land, hogs, cows, sheep, chickens and farm implements, and keep a close tab on what part of the stock was paying and what was not. Then he would be able to cull out the hens that were not laying, and the cows that were not giving the required amount of milk. He would know whether his hogs were losing money for him. He might have more horses on his farm than he needed. In other words, if he did the right kind of bookkeeping, he would be able to tell where his profits and losses were.

I have known only one farmer who kept an absolute tab on his financial condition and this farmer today is absolutely independent and what I would call a wealthy farmer.

I wish good bookkeeping methods for farmers were installed in every state in the Union. I do not believe that many farmers know the actual number of hours they spend working on the farm. A great many of them take jobs working on the roads, others driving school hacks, others serving on juries. I doubt if the average farmer figures whether this kind of work pays him for the neglect that it may cause his farm work.

I should like to see a committee of about five credit men appointed to investigate these facts and see if several farmers would club together and employ a real credit man. I believe doing this would place a great many farmers on the right side of the ledger who are now losing money.



Check up on your credit-seekers this month and urge them to carry Fidelity Insurance on their employees. It protects you.

May we send you our little booklet on Fidelity Insurance? No obligation whatever.

UNITED STATES FIDELITY AND GUARANTY COMPANY

Baltimore, Maryland

MAINTAINS A DEPARTMENT OF GUARANTEED ATTORNEYS
WHICH RENDERS UNEXCELLED SERVICE TO MERCHANTS
AND MANUFACTURERS.

Retailers Meet Wholesalers

F. D. RAYMOND of the Kelly-Howe Thomson Co., Duluth, tells the CREDIT MONTHLY of a successful meeting held recently at Hibbing, Minn., at which the jobbers and retailers from eight surrounding towns were represented. An attendance of nearly 200 evidenced the interest created by this gathering of sellers and buyers for an interchange of credit views and experiences. It was an event that will be pleasantly as well as profitably remembered by all those fortunate enough to attend.

Life Insurance for Benefit of the Business, a Credit Asset

By W. H. Turner

Rugby Knitting Mills, Inc., Buffalo

CREDIT men are daily being impressed with the average merchant's careless, indifferent attitude towards his future. He is mostly drifting along with no clear thought of tomorrow, and no aim in his business life. He is like a ship at sea that has no port to enter.

When the sad Reaper of the Universe calls on such a merchant, who has drifted into difficulties, it is sad to find this condition; and the credit man is often called upon to accept a partial settlement.

The widow is left with a business that brought in only a bare living while the merchant was on hand to keep it moving. The business has an indebtedness of 50 to 60 per cent. of the value of the stock. Not being trained in business ethics, she is confused by the variety of advice given to her by her kin and by attorneys who are looking for such clients. Analysis as a rule shows that there is an indebtedness of 50 or 60 per cent. of the value of the stock.

If the widow had enough insurance money to cover the liabilities and had no bills payable to worry about, she could probably continue the business so as to bring her at least a fair living.

The Surviving Partner

In case of partnership, with 30 to 50 per cent. indebtedness, the death of one partner often leaves the survivor facing the fact that he has no capital with which to pay off the estate. He must depend on the running business to pay his bills.

The widow of the estate insists upon a generous cash settlement and usually puts a liberal value on goodwill. The partner is forced to dissolve the business and give up all he has worked years to establish. He then divides the net value with the widow. And after merchandise and fixtures are sacrificed in this way there is seldom left much more than the indebtedness.

Each partner should insure himself in favor of the survivor, in an amount at least sufficient to pay the estate of the deceased in full leaving the surviving partner the business for himself, to go forward.

Life Insurance for the benefit of the business, if taken out generally, especially by merchants with a capital from \$5,000 to \$50,000, would have a wonderful effect in building up the business fabric of this country.

Life insurance men have an extraordinary opportunity to sell such insurance, by preaching the gospel of foresight in business—a quality sadly needed among merchants of this size. There are too many merchants drifting with no objective in view, without constructive plans laid for the future.

Insurance men and credit men, by inducing merchant debtors to insure their lives for the benefit of the business, can perform a notable service to the entire business of the country.

Co-operation the Watchword

A DECLARATION on Co-operation was passed at the last meeting of the Credit Co-operation and Methods Ex-

ecutive Committee of the National Association of Credit Men, December 19, 1924. It said:

"As the National Association of Credit Men was the pioneer in co-operation its best offices must always be exerted in maintaining co-operation in credit work.

"It has been discernible of late that groups of individuals in certain lines show tendencies to individualism in their activities. Perhaps they feel it will tend to their protection.

"Every tendency away from co-operation in our commercial affairs must be sternly rebuked. It must be constantly shown that only as we co-operate freely and fairly with one another can our progress be assured and our high position in the world's commerce maintained."

False Financial Statements

Remedies of Defrauded Creditors

By ARTHUR E. FIXEL

A recognized authority on false financial statements. 819 pages, also forms. False statement as basis for recovery of claims in full—blocking fraudulent compositions—barring discharges—reclaiming goods. Price \$8.00—Free Examination Offer. CENTRAL LAW BOOK COMPANY, 517 Hammond Bldg., Detroit, Michigan

Credit Managers

and executives, all lines, now earning \$3,000-\$25,000, seeking new connections will find our individual, confidential service an effective and dignified medium to make desired connections. Personally planned and executed by MR. JACOB PENN., the eminent employment authority, known to leading business men throughout America. Not an employment agency. Jacob Penn, Inc., 305 Broadway, New York.



Portable Visible Records

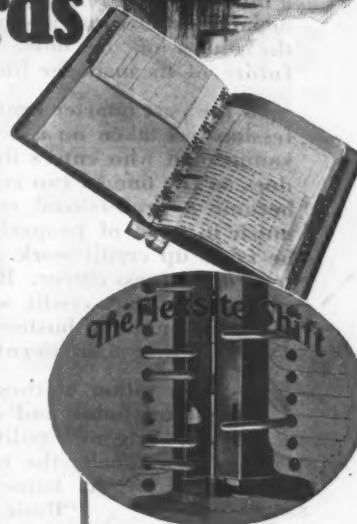
Where you want them, and when you want them, the facts that you need to know are brought to you on FLEX-SITE. A bird's-eye view of your business is spread before you in book form. You pass judgment on mass facts and not isolated cases. At the same time unusual conditions are flashed to your attention for any special action.

When you select Visible Equipment, be sure that it is portable, compact, adaptable, low in cost, and that it has the FLEX-SITE automatic shift which permits the insertion of new sheets where they belong in a few seconds.

If your records are different and require special handling, our Methods Department is at your service. Send detailed information and receive without charge recommendations which fit your business.

Visible Records Equipment Co.,
226 W. Adams St., Chicago, Ill.

FLEX-SITE
VISIBLE RECORDS



Visible Records Equipment Company,

226 W. Adams Street,
Chicago, Illinois.

Please send FLEX-SITE circular No. 151.

Kind of records

Send questionnaire

Name

Firm

Address



What does the Credit Field hold for You?

THE answer you get to such a question is quite different from that which the young man engaged in credit work got twenty-five years ago. Then, the term "Credit Manager" was usually another name the book-keeper used on special occasions. Sometimes a business grew to the point where the credit department became a separate division, but the duties of the office were few and the future of its manager limited.

In the past quarter century the credit profession has taken on a new meaning. The young man who enters the profession today does so for one of two reasons: he trains to become a professional credit man—a field much in need of properly trained men—or he takes up credit work as a *training for a general business career*. Because of the close relationship that credit work bears to the fundamentals of business the latter reason is causing many to enter credit work.

Either of these roads is open to you today and the National Institute of Credit will help you to make the most of them with its home study courses in "Basic Economics" and "Credits and Collections."

The Credit
man of today

must have more than the ability to analyze a statement—he must be a salesman, a promotion manager, an economist, a trade analyst, a financier—in short he must have a knowledge of every phase of business. These courses are designed to help you prepare yourself for these bigger demands of the credit profession.

Each course is prepared by men engaged in credit work, men who have followed the growth of credit work as a profession and who know what will be expected of the credit man of the future. Each course covers twenty weeks—twenty weeks of interesting, valuable work. It is work, too, for each course is built around the problem-study plan. You get real help from it.

The National Institute of Credit was founded by the National Association of Credit Men to give to men engaged in credit work the training necessary to meet present day demands. The courses offered through the Institute are given at non-profit prices—you pay only for their cost.

Get the help of these courses in your own work. They are offered at prices within reach of everybody. Study them in your spare time. Write today for complete information about them. It will be sent immediately without obligation. Clip the coupon now before you forget it.

DR. JOHN WHYTE,
NATIONAL INSTITUTE
OF CREDIT,
Dept. 1
41 Park Row,
New York City.

Will you kindly mail me information concerning the following courses: (Check course desired)
"Basic Economics" ()
"Credits and Collections" ()

Name
Street
City..... State.....
Firm

National Institute of Credit

41 Park Row

New York City

Better Retail Merchants How Shall Credit Men Help Them?

By Geo. O. Jones, Jr.

Ozburn-Abston & Company, Atlanta, Ga.

IT is now generally acknowledged that the saving of deserving merchants through Business Service is one of the first duties of the credit man.

We are prone to forget, however, that Business Service which looks to the building up of a deserving customer should begin upon the receipt of his first order. The manner in which the first order is handled will determine in large measure the respect the house will be able to demand from the customer. If the order is promptly acknowledged in a courteous letter explaining the necessity of a few day's delay for the completion of credit data, the customer will at once understand that he is dealing with a house which practices sound business methods. If, when the order is passed for shipment, another letter is written outlining house policies, terms, etc., the customer is still further impressed with the fact that he may expect certain business courtesies from his new source of supply in return for which he must meet certain requirements of the wholesaler. An account opened properly is more likely to be closed properly than an account handled carelessly at the start.

When credit information received on a new account is not such as to meet the requirements of the credit department, an opportunity is perhaps here presented to indicate to the customer tactfully how to correct a defect which is standing in the way of his success. The order is not turned down without explanation, but reasons are given. If the reasons are sound, the effect upon the customer will be favorable; if the credit man's advice is taken and the customer's situation improves, the credit man is certain to be in a strong position to gain his business.

Reasons For Slow Pay

We find on examining accounts already opened on our books where payments are being made slowly to us and to others that the difficulty is brought about generally through one or more of the following reasons:

- (1) Lack of liquid capital.
- (2) An over-stock of merchandise, or the building up of too large a line of receivables.
- (3) An unwillingness to pay.

Whatever the causes, they mean essentially an absence of one or more of the famous three C's.—Character, Capacity and Capital. It is possible in some cases to correct the difficulty by correspondence. If this method fails, results can often be obtained by a visit from a committee of at least three interested credit men. In order to bring out the point, I will refer especially to the tire, accessory, hardware and oil trade groups in which my work lies.

We have connected with the Atlanta Association of Credit Men a trade group composed of credit men in the wholesale lines mentioned above. We meet at

luncheon every Thursday. The chairmanship of the group rotates. A speaker on some timely subject is present in order that we may become more enlightened not only on credit work but other features of business. At these luncheons we discuss confidentially our experiences with different customers, and when we find a customer who is imposing too generally upon our terms we take steps to correct the fault. Through this trade group and the Credit Interchange Bureau, we locate the interested creditors of a customer and the credit men are called together in meeting to determine the best way to handle the case. In a number of instances two or three credit men are sent together to see the customer with the power to represent all creditors. Effective and constructive results generally follow.

At the foundation of the work is the trade group. It often presents a most successful method of establishing cordial relations between credit men, which inevitably means the strengthening of credit extensions in both wholesale and retail lines.

Credit Men Should See Customers Who Call

Customers frequently come into our place of business. We should endeavor to meet them with a view to gaining their confidence, talking over their business problems and helping solve them. We should study the characteristics of these customers as we talk with them to fix upon the most logical avenue of approach to gain their good will.

The credit man should never be anything but cordial to the customers of his house, and should do all that he can to remove that strained feeling which so easily presents itself in the contact between the credit man and the customer.

Retailers are likely to take their cue from the wholesale houses in the dispensing of credits. As we insist upon respect for terms we encourage the retailers to credit only those who are responsible and who are respecters of terms of sale. Through our influence, therefore, money and merchandise is kept flowing in proper channels and in proper amounts and the possibilities of inflation and distress are warded off.

More and more the credit man is finding himself in a pivotal position. As an instructor in good business practices, which undoubtedly he must become, he must keep himself above reproach and maintain his self-respect in high degree in order to give proper weight to his recommendations. Besides being a man of Character he must be a man of growing Capacity, never satisfied with what he already knows but ever eager to increase that fund of knowledge which is to serve him as a credit man.

The requirements resting upon the credit man may be summarized in this way:

Requirements of Credit Man

The credit man should ever have his own house in order; should know the line of business in which he is engaged; should have a mastery of merchandising as well as credits in order that he may be in position to advise his customers more intelligently; should have a never-failing consciousness of his duty toward every customer; should remember that constructive work can be done not only with slow customers but also with those who discount or pay promptly; should prize the friendship of his fellow workers, other credit men, especially those in his own line, in order that there shall be established in the fraternity of credit men the highest confidence and truest spirit of co-operation.

Trade Acceptances Amounting To \$750,000,000

THERE is about \$750,000,000 in trade acceptances outstanding, according to an announcement recently made by the American Acceptance Council, in whose organization the National Association of Credit Men took active part eight years ago. This volume is the largest since 1919, when the total was about one billion. A volume at least equal to that of 1919 is anticipated for the year 1925.

The officers of the American Acceptance Council for the ensuing year are: President, Frederick I. Kent, Vice-President of the Bankers Trust Co., N. Y.; Vice-President, E. C. Wagner, President of the Discount Corporation of New York; Treasurer, Percy H. Johnston, President of the Chemical National Bank; and Secretary Robert H. Bean.

The New HOTCHKISS "UNIT"



THIS new paper fastener uses either No. 1 or No. 2 genuine Hotchkiss Staples. Can be taken apart by your stationer for replacement of any parts if necessary. Has all standard Hotchkiss features and is absolutely non-clogging. A fit companion to the famous Hotchkiss model Number 1.

THE HOTCHKISS SALES CO.
Norwalk Conn.

The 1925 Credit Congress

THE thirtieth Annual Convention of the National Association of Credit Men will be held in Washington, D. C., June 8-13, 1925.

This is the first time that the annual Credit Congress has been held in the Nation's Capital and it is anticipated that there will be a larger attendance than any year of the Association's history.

The high standing of the Association with the executive branch of the Federal Government insures a co-operation which will alone make the convention worthwhile. The convention committee, headed by National Director W. C. Hanson of E. G. Shafer Co., is, moreover, planning a series of business conferences which would justify the attendance of great numbers of credit executives even if the city of Washington did not have a peculiarly strong appeal for every American citizen.

Positions Wanted

CREDIT MAN AND OFFICE MANAGER—Of broad experience desires connection January 1st. Has been employed past 17 years in this capacity by one firm. Familiar with finance, personnel work, etc. Knowledge of sales. Age 46. Address Advertisement 1006.

OFFICE MANAGER—Age 32, married. Seven years' experience as executive and 5 years as public accountant, would like a position as office manager where a knowledge of accounting, costs, credits and collections, sales and production would be necessary. Present salary \$4500. Address Advertisement 1007.

FACTOR EXECUTIVE—Experienced in cost analysis, manufacturing branch house work, treasury and general management, desires position. Address Advertisement 1008.

CREDIT AND COLLECTION EXECUTIVE OR ASSISTANT—Middle aged man capable of taking full responsibility. Twenty years' experience in credits, collections, office manager, auditor and in charge of books and finances, desires permanent position where steady work, integrity and attention to duties will be appreciated. Best references. Address Advertisement 1009.



OFFICERS OF THE NATIONAL ASSOCIATION OF CREDIT MEN

President, EUGENE S. ELKUS
The Elkus Company
San Francisco, Cal.

First Vice-Pres., A. J. PEOPLES
Detroit Copper & Brass Rolling Mills
Detroit, Mich.

Second Vice-Pres., R. T. BADEN
Holland, Baden & Ramsey
Baltimore, Md.

Executive Manager and Treasurer, J. H. TREGOE
New York, N. Y.

BOARD OF DIRECTORS

H. F. BARKER
Belcher & Loomis Hdw. Co.
Providence, R. I.

CHAS. S. COOK
American Brass Co.
Buffalo, N. Y.

THOS. K. CREE
Ailing & Cory Co.
Pittsburgh, Pa.

GORDON M. DAY
Day-Bergwall Co.
Milwaukee, Wis.

J. W. DICKSON
Texas Paper Co.
Dallas, Texas.

L. T. FORD
Commercial Finance Corp.
Memphis, Tenn.

A. J. GOLDWATER
Stewart-Dawes Shoe Co.
Los Angeles, Cal.

GEO. J. GRUEN
Gruen Watch Mfg. Co.
Cincinnati, Ohio.

C. H. HAMILTON
Merchants Coffee Co.
New Orleans, La.

W. C. HANSON
E. G. Schafer Co.
Washington, D. C.

EDWARD L. HARRIS
Swift & Co.
Boston, Mass.

J. B. HOUSE
Lehman-Higginson Gro. Co.
Wichita, Kansas.

DWIGHT A. MURPHY
City Trust Company
Indianapolis, Ind.

J. H. PATRICK
Decker-Patrick Co.
Salt Lake City, Utah.

W. L. PERCY
Dobbs & Wey Co.
Atlanta, Ga.

W. H. POUCH
Concrete Steel Co.
New York, N. Y.

A. T. RICKARDS
H. K. Mulford Co.
Philadelphia, Pa.

F. D. ROCK
Armour & Co.
Denver, Colo.

E. D. ROSS
Irwin-Hodson Co.
Portland, Oregon.

H. A. SEDGWICK
Marshall-Wells Hdw. Co.
Duluth, Minn.

J. H. STARK
Carleton Dry Goods Co.
St. Louis, Mo.

LAWRENCE WHITTY
Ed. V. Price & Co.
Chicago, Ill.

B. A. WILCOX
Omaha National Bank
Omaha, Nebraska.

J. F. WOOD
Richmond Dry Goods Co.
Richmond, Va.

Proof

Here's a
Way to Prove
Which Pencil
You Want!

AMID the bewildering array of claims a pencil may be "good," "better," "best"—but how are you going to tell which is the pencil you want?

Semi-Hex is made with rounded corners, comfortable to hold. Its lead is smooth writing and long lasting. It comes in your favorite degree of hardness. It is all Quality, from easy writing point to clean erasing tip—and it costs but a nickel.

But—the one sure way to prove that this is your kind of a pencil is to Write 100 Words With Semi-Hex and Any Other Pencil. Comparison tells!

The next time you need a pencil
ask your stationer for a box
of Semi-Hex and note
the difference

SEMI-HEX

GENERAL PENCIL COMPANY

Jersey City New Jersey

Positions Wanted

CREDIT AND COLLECTION MANAGER OR EXECUTIVE ASSISTANT—Fourteen years' experience. Now in executive department of large manufacturing corporation in charge of credits and collections. Accountancy and commercial law graduate. Experienced in traffic management and stenography. Capable correspondent and office systematizer. Age 34, married. Protestant. Best references. Address Advertisement 1010.

CREDIT AND COLLECTION MANAGER—Age 38, married. Have been assistant to general credit manager in large wholesale grocery concern for the past six years. Consolidation of two competitive houses makes change necessary. Prefer position in middle western territory. Salary to be arranged. Address R. W. Mac, Box 461, Sioux City, Iowa.

CREDIT INVESTIGATOR—Thoroughly experienced. available on short notice. Best references. Address Advertisement 1011.

WANTED—By an experienced field solicitor, position with an up-to-date adjustment and collection agency. References furnished. Address Advertisement 1012.

CREDIT AND COLLECTION MANAGER—Age 27. Experienced in wholesale and manufacturing lines, a keen analyst, desires position in Philadelphia, Pa., or vicinity. Salary reasonable and conforming to proven record. Address Advertisement 1013.

CREDIT MAN, ASSISTANT, OR INVESTIGATOR—Sixteen years' experience. can furnish good references as to character and ability, and will go under a bond if required. Address Advertisement 1014.

CREDIT AND OFFICE MANAGER—Would like to hear from concern desiring services of man experienced in accounting, costs, credits and collections. Has been assistant to president of large corporation and can install modern systems of office management. Address Advertisement 1015.

EXECUTIVE—Finance, credits, management, technical, accounting, law training and experience. Effective organizer. Available only for substantial proposition. Address Advertisement 1016.

CREDIT AND COLLECTION MANAGER—Age 38, Christian. High grade executive, now employed, open for connection on short notice. Fifteen years' broad experience with prominent corporations as credit manager and assistant treasurer. Expert accountant, thoroughly qualified to take charge of credits and finances. Highest credentials. Address Advertisement 1017.

Addresses Wanted

APPAREL SHOP, formerly located at Grand Forks, North Dakota.

BAKER, V. M., formerly of 3000 Charlotte Street, Kansas City, Mo.

BLACKBURNE, WILLIAM, last known address 46 Concord Square, Boston, Mass. Last heard of in Kansas City, Mo.

BRAWNER, E. H., formerly located at Fort Dodge, Iowa. Later at 1206 East 53rd Street, Los Angeles, California, care of Mrs. E. L. Brawner.

CARPENTER, CHARLES H., formerly of 1546 Commonwealth Avenue, Boston, Mass., an automobile salesman. Now supposed to be in Providence, R. I.

CORBIN, P., formerly with the South Prospect Auto Paint Shop, 7010 Prospect Ave., and later with the Miller Enameling Works, at Independence, Mo.

CRITERION CANDY SHOP, recently operated by one Mr. Sileo, at 68 West Genesee Street, Buffalo, N. Y.

DAILEY, LEO B., formerly of 18 Walnut Street, Canton, Mass. Last heard from at Kansas City, Mo.

DAVE'S RADIO SHOP, formerly operated by Dave Robinson, at 3739 North Halsted Street, Chicago, Ill.

DUMBRILLE, DOUGLAS, supposed to be an Actor or Theatre Manager, last known addresses Holyoke and Springfield, Mass.

DYHRE, GEORGE A., formerly in business at Nitro, West Virginia. Now supposed to be somewhere in Illinois.

DYNES, F. E., recently located at Ardmore, Oklahoma. Now believed to be in California.

EBY, L., formerly connected with the Eby Company, at Canton, Ohio.

FERNANDEZ, MIGUEL, last known addresses Y. M. C. A., Westfield, Mass., and 58 Arnold Street, Westfield, Mass.

FREEDMAN, ROBERT, formerly operating as the National Products Company, of Nashville, Tenn.

GOLD, C. H., recently doing business at 1151 Broadway, New York City.

HOLMES, ROBERT, formerly of Gary, Indiana.

HURWITZ, L., formerly located at Dennison, Iowa. Believed to have gone to Albany, N. Y.

JOHNSON, J. W., Camp Hill, Alabama.

KELLY, GEORGE W., formerly operating the Bonnie Slip Cover Company, 168 West North Avenue, Chicago, Ill., and more recently operating under the same name at 414 East St. Clair Street, Indianapolis, Indiana.

KLINGER BROS., operating as plumbers at 375 Van Buren Street, Brooklyn, N. Y.

LUDWIG, JOHN B., formerly operating the Ohio Southern Oil Company, 1313 Harrison Avenue, Cincinnati, Ohio.

McMORROW, FRANCIS, a contractor, last known address 612 Dudley Street, Boston, Mass. Now supposed to be in New York.

MANNING, STANLEY, formerly of 540 Main Street, Worcester, Mass., and 238 Elm Street, Greenfield, Mass. Supposed to have been a publisher.

MARTIN, GROVER RAY, a traveling salesman, formerly of Milledgeville, Georgia.

MEYERS, ALBERT P., formerly of 276 New Main Street, Yonkers, N. Y.

MILBURN, JACK, formerly operated a restaurant at Tipton, Missouri. Later located at Glenstead, Mo., and Kansas City, Mo.

MOSCOVITZ, B., formerly in business at Henderson, No. Carolina.

NADEAU, Mrs. M. A., last known address Van Buren, Maine.

NEARING, G. N., formerly operating the Markit Packing Company, Dallas, Texas.

NICHOLS, HOWARD, formerly located at Princeton, Indiana.

PERRY & COMPANY, formerly operated by S. A. Perry and J. W. Hancock, at Fitzgerald, Ga., and Bushnell, Ga.

PHILLIPS, J., formerly proprietor of the Variety Store, at 9116 Monetta Street, Los Angeles, Cal.

POWELL, S. B., formerly proprietor of the Powell Mercantile Company, at Cooper, Alabama.

FRES, HARRY, formerly located at 4724 Lincoln Avenue, Chicago, Ill.

RANSFORD, ADDY, recently operated the Addy Ransford Dress Shop, at 713 Boardwalk, Atlantic City, N. J.

SHELBY DRUG COMPANY, recently located at Shelby, Montana.

TERRACE, H. S., formerly operated the Helene Shoppe, at 35 DeKalb Avenue, Brooklyn, N. Y.

VOSSBERG, MRS. K. B., formerly operated The Violet, at 188-09 Jamaica Avenue, Hollis, L. I.

WALKER, H. C., formerly in business at Milford Center, Ohio. Believed to have gone to Columbus, Ohio.

WEAVER, MRS. E. J., Masonville, N. J.
WILKINSON, B. O., formerly at 2412 East 28th Street, Kansas City, Mo.

Information Wanted

Members should be on the lookout for **WILLIAM CARR**, claiming to be in the employ of an undertaker in Wisconsin, who is around ordering merchandise and giving a "no good" check. He is described as being about twenty-eight years of age, six feet tall, light complexioned, and weighs about one hundred and eighty pounds.

Members should be on the lookout for one **E. J. FILENE**, claiming to be a brother of Filene Brothers, of Boston, Mass. His description is: five feet eight inches; one hundred seventy-five pounds; dark hair; smooth face; pointed nose; very fine appearance. Seems from his talk to be very well acquainted with Boston.

Information wanted regarding the following parties recently connected with the Santos Trading Company, Inc., of 130 West 2nd Street, New York City: Samuel Fox, Moe Miller, Mrs. Elizabeth C. Santos, David J. Marks and E. Paul Rosen, which please communicate to this office.

Credit Insurance

You, MR. CREDIT MAN, are the pivot on which will depend much of your firm's success this year.

Whether you pass on credits of millions or thousands or hundreds of dollars, you can exercise a clearer judgment if you have back of you a National Policy of Credit Insurance.

It will protect your firm absolutely against abnormal bad debt losses, and prevent waste of credits through the free aids to collections accompanying each policy.

Agencies In All Principal Cities

National Surety Company

WM. B. JOYCE, Chairman

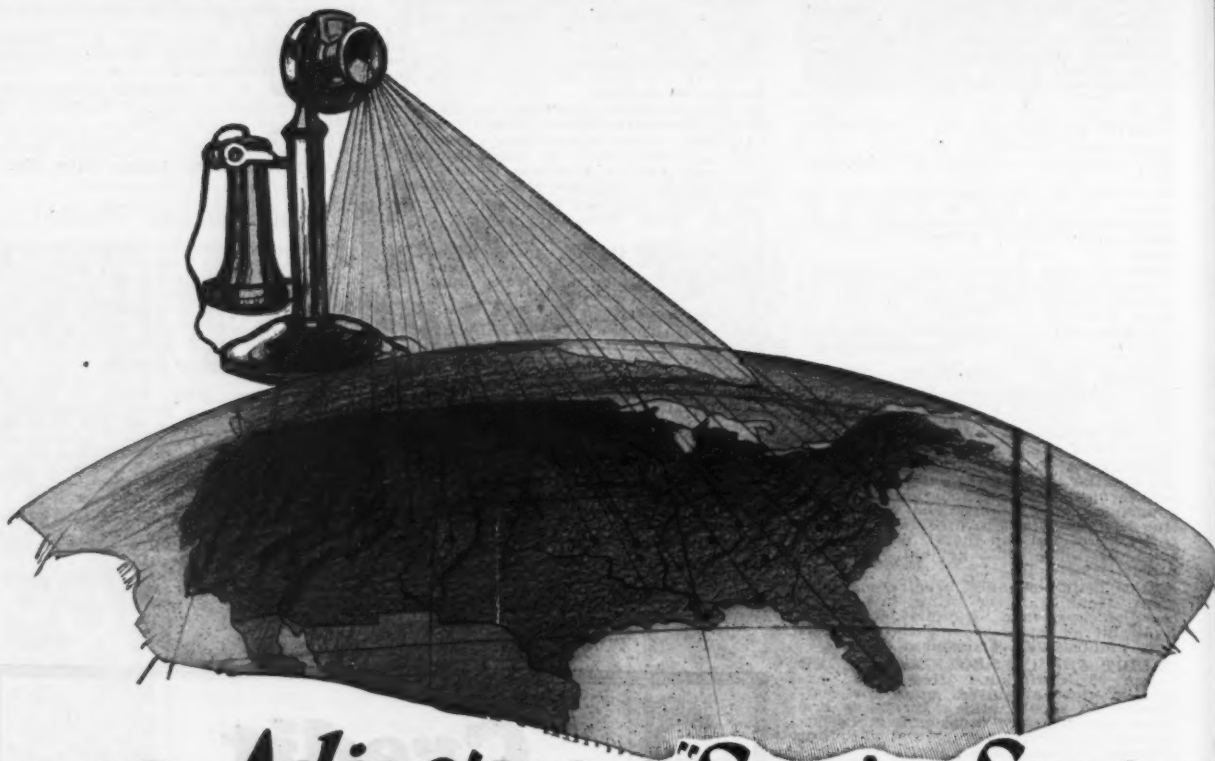
E. A. ST. JOHN, President

E. M. TREAT, Vice-President

115 Broadway, New York

World's Largest Surety Company

As near as



-an Adjustment "Service Station"

LEGENDS ON
OPPOSITE PAGE:
A—Indicates Bureau
not handling Personal
Investigations.
B—Do not handle
Collections.

THE National Association of Credit Men, through its Adjustment Bureaus, extends a helping hand to business in every section of the United States.

Eighty "Service Stations"—there is one near you, or near that case that is bothering you—stand ready to conduct personal investigations or make adjustments of a debtor's condition; to serve in a fiduciary capacity in friendly adjustments of any character, except bankruptcies, for the good of all creditors; to serve in a fiduciary capacity in bankruptcies, in addition to attending hearings even though a representative of the Bureau is not receiver or trustee; to handle collections in their respective cities or forward them. (See legend to right).

Collection Items are received by a Bureau with the understanding that should developments indicate the necessity of action for all creditors, the interest of one shall be subservient to all. Each claim submitted should be accompanied by complete data and instructions.

Here is your opportunity to help yourself and serve the cause of efficient credit methods. Make use of it. For further information, write C. H. Woodworth, Manager, National Adjustment Bureau.

National Association of Credit Men
41 Park Row New York

ADJUSTMENT BUREAUS

NATIONAL ASS'N

your Phone

ALABAMA—Mobile—415-416 State Office Bldg. J. G. Goodman, Mgr.; Pres., H. F. Baldwin, Gulf Gro. Co.

CALIFORNIA—Los Angeles—Los Angeles Wholesalers Board of Trade, Higgins Bldg. F. C. De Lano, Mgr.; Pres., H. Flatau, M. A. Newmark & Co. (A B)

San Diego—Wholesalers Board of Trade & Credit Association, 673 Spreckles Bldg. Carl O. Retsloff, Mgr.; Pres., R. H. Buel, Buel-Town Co. (A B)

San Francisco—Board of Trade of San Francisco, 444 Market St. G. W. Brainard, Sec'y; Pres., W. B. Maxwell, Blake, Moffit & Towne. Not controlled but affiliated with, the S. F. A. of C. M. (A B)

DISTRICT OF COLUMBIA—Washington—727 Colorado Bldg. R. Preston Shealey, Sec'y; Chairman, Frank W. White, Nat. Elec. Co.

FLORIDA—Jacksonville—37 W. Adams St. A. J. Brown, Mgr.; J. W. Pettyjohn, Covington Co.

Tampa—5 Roberts Bldg. S. B. Owen, Mgr.; N. M. McLeran, Chairman, care C. B. Witt Co.

GEORGIA—Atlanta—500 Chamber of Commerce Bldg. C. L. Williamson, Mgr.; J. H. Sutton, Chairman, J. K. Orr Shoe Co.

Augusta—313-15 Lamar Bldg. W. B. Oliver, Mgr.; P. H. Dunbar, Chairman, care Clark Milling Co.

Savannah—Box 1316, L. R. Buckner, Mgr.; Chairman, C. M. Chandler, Jr., I. Epstein & Bros. Co.

IDAHO—Boise—Boise City National Bank Bldg. H. L. Streeter, Mgr.; R. N. Davidson, Chairman, Davidson & Co.

ILLINOIS—Chicago—Suite 944, 1st Nat'l Bank Bldg., 38 So. Dearborn St. Mgr., D. J. Evans; C. D. Craig, Horine & Bowey Co., Chairman.

Decatur—220 Milliken Bldg. H. S. McNulta, Mgr.; Chairman, A. J. Murray, McClelland Grocery Co. (A B)

INDIANA—Evansville—607-610 Old National Bank Bldg. C. Howard Saberton, Mgr.; A. W. Hartig, Chairman, care Hartig Plow Company.

Indianapolis—V. L. Wright, Mgr., 509 Peoples Bank Bldg. President, E. C. Johnson, Acme-Evans Co.

IOWA—Cedar Rapids—504 Mullin Bldg. C. F. Lubberger, Mgr.; Geo. LaMotte; Warfield-Pratt-Howell Co., Chairman.

Davenport—First Nat. Bank Bldg. H. B. Betty, Mgr.; Pres., William Blaser, Independent Baking Co. (A B)

Des Moines—1121 Fleming Building. Don E. Neiman, Mgr.; W. E. Muir, Luthe Hdw. Co., Chairman.

Ottumwa—Phoenix Trust Bldg. Wm. A. Hunt, Mgr.; Chairman, J. Spurgeon, Sam Mahon & Co.

Sioux City—601 Trimble Bldg. J. B. Murphy, Mgr.; P. A. Lucy, Asst. Mgr.; Chairman, L. Motz, Armour & Co.

KANSAS—Wichita—901 First National Bank Bldg. M. E. Garrison, Mgr.; J. B. House, Chairman, care Lehmann Higginson Grocery Company. (B)

KENTUCKY—Lexington—412 Fayette Nat. Bank Bldg. John D. Allen, Mgr.; J. W. Parrish, Chairman, care Van Deren Hdw. Co. (A B)

Louisville—3rd Floor, Kenyon Bldg. S. J. Schneider, Mgr.; V. F. Kimbel, Chairman, Ballard & Ballard.

LOUISIANA—New Orleans—608 Louisiana Bldg. T. J. Bartlett, Supt.; George Grunman, Chairman, Albert Mackie Co.

MARYLAND—Baltimore—I. L. Morningstar, Sec. Mgr., 301 West Redwood St.; H. W. Bennett, Chairman, care Baltimore Assn. of Credit Men. (A)

MASSACHUSETTS—Boston—136 Federal St. H. A. Whiting, sec'y; Charles Fletcher, Chairman, care Cumner Jones Co. (B)

MICHIGAN—Detroit—2012 First National Bank Bldg. O. A. Montgomery, Mgr.;

Chas. E. French, Chairman, care Cadillac Machinery Co.

Grand Rapids—450 Houseman Bldg. H. L. Boggs, Sec'y-Mgr.; Bert Saunders, Chairman, Gallmeyer-Livingston Co.

MINNESOTA—Duluth—Duluth Jobbers Bureau, Inc.; 415-19 Lonsdale Bldg. E. G. Robie, Mgr.; C. H. Whitmore, Chairman, Gowan-Lenning-Brown Co. (B)

Minneapolis—See St. Paul.

St. Paul—The Northwest Jobbers Credit Bureau, 241 Endicott Bldg., St. Paul, Minn.; W. A. Marin, Mgr.; W. C. Rodgers, Asst. Mgr.; Pres., C. D. MacLaren, care Farwell Osum Kirk Company. (B)

MISSOURI—Kansas City—Missouri Valley Interchange & Adjustment Bureau, 315 Hall Bldg. A. E. Adam, Mgr.; Chairman, Ross Crutcher, Nichols Wire Sheet & Hdw. Co.

St. Joseph—See Kansas City.

St. Louis—510 Locust St. Orville Livingston, Mgr.; Chairman, W. E. Tarlton, Brown Shoe Co.

MONTANA-WYOMING A. C. M.—Billings—Box 1184, Raymond Hough, Mgr.; W. A. Blume, Russell-Miller Milling Co., Pres.

Butte—116 W. Parks St. J. M. Evans, Jr., Mgr. (B)

Great Falls—Northern Montana Association of Credit Men, 215-17 Ford Bldg. C. L. Voelker, Manager; E. L. Strohehn, Chairman, Montana Flour Mills. (B)

NEBRASKA—Lincoln—See Omaha.

Omaha—411 Wilkinson Bldg. G. P. Horn, Mgr.; Chairman, E. P. Trussell, Armour & Co.

NEW JERSEY—Newark—North Jersey Association of Credit Men, 760 Broad St., Room 11. G. A. Boyce, Mgr.; A. C. Gibbins, Chairman, Johnston & Murphy. (B)

NEW YORK—Buffalo—704-705 Erie County Bank Bldg. L. E. Chandler, Mgr.; Ira D. Johnson, Chairman, care Wm. H. Walker & Co.

NORTH CAROLINA—Charlotte—21 So. College St., L. S. Sloop, Mgr.

OHIO—Cincinnati—Citizens National Bank Bldg. John L. Richey, Mgr.; Edw. G. Schultz, Chairman, L. K. LeBlond Machine Tool Co.

Cleveland—322 Engineers Bldg. Hugh Wells, Mgr.; S. E. Gross, Chairman, The Foot-Burt Co.

Columbus—Central Ohio Credit Interchange & Adjustment Bureau 514 Clinton Bldg. J. E. Egan, Mgr.; Chairman, Raymond Link, Ohio Natl. Bank.

Dayton—709 Schwind Bldg. A. M. Barrett, Mgr.; Paul L. Schneider, Sec.; Standard Register Co.; Pres. Lloyd Van Dyne, Winters Nat. Bank.

Toledo—National Bldg. Geo. B. Cole, Mgr.; J. V. Davidson, Chairman, Davidson Lumber Co.

Youngstown—1105 Mahoning Bank Bldg. H. B. Doyle, Mgr.; Chas. Johnson, Chairman, The Rose & Johnson Co. (B)

OKLAHOMA—Oklahoma City—713 Herskowitz Bldg. A. L. Smith, Mgr.; C. H. Hogan, Chairman, care Carroll, Brough & Robinson.

Tulsa—420-21 Central Natl. Bank Bldg. V. P. Wilson, Mgr.; A. K. Dawson, care Dawson Prod. Co.

OREGON—Portland—641 Pittock Bldg. G. W. Ingram, Executive Secretary; E. Don Ross, Chairman, care Irwin Hodson Co.

PENNSYLVANIA—Allentown—Lehigh Valley Association of Credit Men, 403 Hunsicker Bldg. J. H. J. Reinhard, Mgr.; Geo. T. Haakel, Chairman, care Bethlehem Brick Co., Bethlehem, Pa.

Johnstown—Box 905, R. H. Coleman, Mgr.; E. F. McGinley, Anderson Paper & Twine Co.

New Castle—322 Safe Deposit & Trust Co. Bldg. Roy M. Jamison, Mgr.; W. F. Moody, Chairman, care G. W. Moody & Son. (A B)

Philadelphia—Room 801, 1011 Chestnut St. David A. Longacre, Mgr.; Jno. T. Brown, Jr., Chairman, Haines, Jones & Cadbury Co. (B)

Pittsburgh—1213 Chamber of Commerce Bldg. H. M. Oliver, Mgr.; F. M. Weikal, Chairman, care A. J. Logan Co.

RHODE ISLAND—Providence—87 Weybosset St., Room 32A. Harry R. Morrissey, Commissioner; R. S. Potter, Chairman, Pawtucket Sash & Blind Co., Pawtucket, R. I. (A)

SOUTH CAROLINA—Greenville—Piedmont Credit & Adjustment Bureau 210 Capers Bldg. U. C. Bentley, Mgr.; Perry Woods, Pearce, Woods Co., Chairman.

TENNESSEE—Chattanooga—809 Broad St. J. H. McCallum, Mgr.; G. W. McDonald, Chairman, Davenport Hosiery Mills.

Knoxville—American National Bank Bldg. W. E. Bybee, Mgr.; W. E. Bickley, Bickley Clo. Co., Chairman.

Memphis—668 Randolph Bldg. E. N. Dietler, Mgr.; A. S. Ullathorne, Chairman, Currie McGraw Co. (B)

Nashville—805 Stahlman Bldg. Chas. H. Warwick, Mgr.; Chairman, C. P. Wilson, Fletcher-Wilson Coffee Co.

TEXAS—Austin—P. O. Box 1075, Mrs. R. L. Bewley, Mgr.; Pres., Geo. W. Tod, 120 East Fourth St., Austin, Texas. (A B)

Dallas—North Texas Adjustment & Interchange Bureau, Chamber of Commerce Bldg. Vernon Hall, Mgr.; C. H. Dollison, Chairman, Perkins D. G. Co.

El Paso—Tri-State Association of Credit Men, 622-3 Caples Bldg. M. W. Clark, Mgr.; Pres., A. A. Martin, Morsen Dunnegan Ryan Co.

Houston—315-6 First National Bank Bldg. Chas. De Sola, Mgr.; Chairman, H. A. Newman, F. W. Heitman Co.

San Antonio—313 Alamo National Bank Bldg. Henry A. Hirschberg, Mgr.; Chairman, Jake Wolff, J. Oppenheimer & Co. (A B)

UTAH—Salt Lake City—Inter Mountain Association of Credit Men, 1411 Walker Bank Bldg. T. O. Sheckell, Mgr.; Chairman G. M. Nichols, Salt Lake Hardware Co.

VIRGINIA—Lynchburg—405 Lynch Bldg. Mrs. M. A. Blair, Asst. Mgr.; Chairman, Jno. H. Davis, Craddock-Terry Co.

Norfolk—A. B. Norfolk-Tidewater Association of Credit Men, 1210 Nat'l Bank of Commerce Bldg. Shelton N. Woodward, Mgr.; Chairman, A. J. Clay, Southern Distributing Company.

Richmond—211-212 Broadway Natl. Bank Bldg. J. P. Abernethy, Mgr.; Pres., J. F. Wood, Richmond Dry Goods Co.; Chairman, C. S. Fensom, Watkins-Cottrell Co.

WASHINGTON—Seattle—Seattle Merchants Association, 314 Colman Bldg. H.S. Gaunce, Sec'y-Treas.; Pres., F. A. Godfrey, Pioneer Fruit Co. (B)

Spokane—Spokane Merchants Association, 718 Realty Bldg. J. D. Meikle, Mgr.; Pres. J. W. Graham, J. W. Graham & Co.

Tacoma—Wholesalers Association of Tacoma, 802 Tacoma Bldg. E. B. Lung, Sec'y-Mgr.; Pres., Walter Ely, Henningsen Creamery Co. (B)

WEST VIRGINIA—Clarksburg—Central W. Va. Credit & Adjustment Bureau, 410 Union Bank Bldg. U. R. Hoffman, Mgr.; Chairman, C. C. Gribble, Waldo Candy Co.

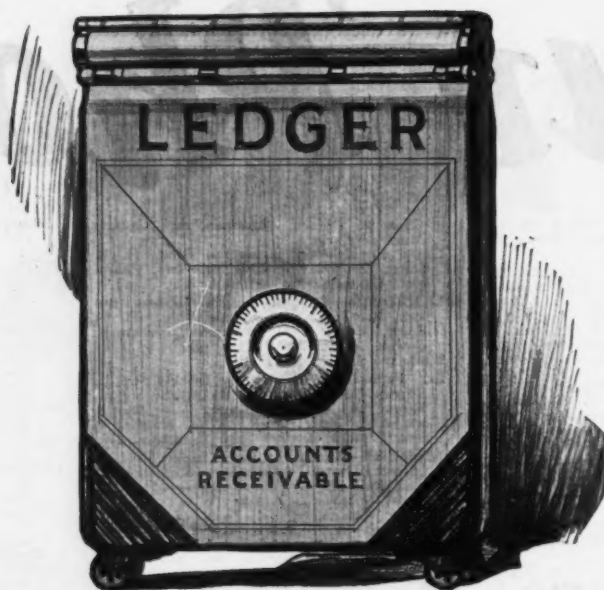
Huntington—Tri-State Credit & Adjustment Bureau, 1026 Fourth Ave. E. V. Towshend, Mgr.; Chairman, C. B. Park, Fister-Thornburg Hdw. Co.

WISCONSIN—Milwaukee—1115 Wills Bldg. I. H. Marshutz, Mgr.; Chairman, John Zaumeyer, care Phoenix Hosiery Co.

Green Bay—Kellogg National Bank Bldg. Chris R. Dockry, Mgr.; Chairman, John Rose, Kellogg National Bank.

Oshkosh—Room 6-7, 76 Main St. Chas. D. Breon, Mgr.; Louis Schriber, Old Commercial Nat. Bank, Chairman.

AFFILIATED WITH THE OF CREDIT MEN



Get The Combination to Credit Facts

If ledgers could talk, some firms that get credit easily would have to beg for it and others who have to beg for it would have credit thrust upon them.

As a matter of fact, while ledgers themselves do not talk, it *is* possible to get their information, if you know the combination.

The Credit Interchange Bureaus, under the supervision of the National Association of Credit Men, is delivering a service to credit departments the nation over which really amounts to an exchange of ledger experiences.

If you are considering the granting of credit to a new account or more to an old one, you need not be satisfied with mere ratings or opinions. This service will give you the **FACTS** that count: how he pays other! It gives you from other creditors' ledgers the length of time sold; highest credit; date of last sale; amount now owing; amount past due; first or unfilled orders, terms of sale and manner of customary payment; record of trade or credit abuses—**FACTS** that mean something.

This service is given to you from other creditors' ledgers without direct reference each to the other, without necessarily divulging the information under creditors' names, and furnishes you with the experiences of *all* others interested in the account in exchange for your own individual contribution.

In thousands of credit departments over the country this **FACT** service is helping to bring new business into the house—business once thought questionable because of lack of actual facts. It is more valuable than commercial ratings or reporters opinions because it deals with **FACTS** and **FACTS** only—**FACTS** about how the new account has and is paying his other creditors.

This service is not expensive. Reports come in showing where it has much more than paid for itself on one sale. It is a constructive credit service that pays its way in new business.

You owe it to yourself and to your credit department to learn more about this service. Write today for explanatory literature and specimen report sheet. Address, E. B. Moran, Mgr.

Central Credit Interchange Bureau

AFFILIATED WITH THE NATIONAL ASSOCIATION OF CREDIT MEN

510 LOCUST ST., ST. LOUIS, MO.

